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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BUSINESS AND CROP REPORTS CONTINUE BRIGHT

"Best Trade Since Christmas" Says An Eastern Retailer

INDUSTRIES ACTIVE

Steel Mill Takes on More Men—Textile Mill Works Night and Day—Crop Reports Very Encouraging

General business and crop reports from all parts of the country continue to be of an enecouraging character, reflecting a slow but evidently healthy improvement and indicating that a stage of adjustment has been reached upon which a further forward movement towards prosperity can be based if the results of the harvest are satisfactory—which seems to be reasonably assured so far as can be judged at this season.

Conditions are regarded as very satisfactory in the Western provinces. Alberta has more moisture than in any season for five or six years and an experienced traveller and student of conditions is quoted in Winnipeg as saying that in the sixteen years he has been over the prairies he has never before seen things looking so good.

The Department of Agriculture of Saskatchewan, reporting by wire to THE FINANCIAL POST, states that all grain is making splendid growth. The weather has been cool and cloudy with local showers. The preliminary report of the wheat crop indicates a reduction in acreage of ten per cent. but this is offset by other grains. There is a big increase anticipated in rye which is now heading out. Although there has been heavy frost in Battleford and other northern districts doing some damage to fruit and gardens no serious harm has been done.

In the East crop prospects are bright. Recent rains have greatly improved the situation following a period of rather unseasonable heat.

Industry Picking Up

Industrially reports indicate distinctly better conditions throughout Ontario, Quebec and the Maritimes. In fishing and lumbering in Nova Scotia and mining in Quebec the output is better and markets improved. Thetford Mines report more activity in the asbestos mines. Sydney reports that the steel mills are more active and that there should be 2,000 hands employed by the 20th of the month. From Magog comes the news that the Dominion Textile mill has a big order and is working night and day.

From the retailers the news indicates a turn for the better. This applied to both East and West although in the case of the latter particularly little can be expected in the way of improvement until the crop is harvested. From the East reports indicate improvement in varying stages, one report from the Maritimes indicating the best business recently since the Christmas week.

At a meeting of some fifty Canadian Pacific agents in Northern Alberta the opinion was general that business conditions throughout the district were improving, that the volume of freight traffic had steadily gained since the first of February, and that the outlook for the summer was distinctiy good. Among the signs of the times included in these reports was the fact that the farmers were taking up more generally with mixed farming, with the result that more merchandise of one kind and another was being moved.

Conservative Progress

While all these indications are favorable, however, it should not be expected that there will be any early boom. A good crop will be a great boon but it will be unhealthy if it is followed by inflation such as that experienced during the days of free spending of war-time income. With such a taxation program as will take care of our war obligations, Canada must produce a good surplus for export to sell in foreign markets in competition with other countries at prices which will mean a profit and this demands hard work, careful management and national thrift. However, when Canada nationally and Canadians individually get down to a basis where current income is greater than current expenditure the latter will undoubtedly be willing to spend more freely of surpluses of savings or profits from the war period.

Legislative Action Stops Good Service

From Our Own Correspondent.

LONDON.—Business men here are rather aghast at the action of the legislature in annulling in principle the contract existing between the city and London Street Railway and allowing the company to increase its fares to five cents straight. There is little objection to the increase but a great deal of comment on the action of legislature and much speculation as to whether the ruling will stand if tested in the courts. In the meantime five cent fares are announced and all outstanding tickets will be accepted until June 20. No provision has been made so far for workmen's tickets during the special hours. The company plans to greatly improve its service as soon as the revenue is available.

ALL IS GOING WELL WITH WESTERN CROP

Return of Heat Will Send Growth Rapidly Forward—Already Heading Out

From Our Own Correspondent.

WINNIPEG.—A return of the heat wave following an overcast showery week will send the crop forward more quickly. Crop conditions continue exceedingly satisfactory. The second Free Press report issued Tuesday and based on 240 returns indicates brighter prospects than a year ago. The two railway reports are uniformly favorable, the C. P. R. emphasizing that good growing weather throughout the west has brought the 1922 crop along in satisfactory condition. The Manitoba situation is particularly favorable, the province having been well showered during the week.

Frosts June 8 and 9 in northern districts did but slight damage. Many districts expected to harvest first week in July. Saskatchewan needs rain in some sections but the crops are by no means suffering. The 10 per cent. decrease in wheat will be offset by other grains notably 18 per cent. increase in rye. Prince Albert reports a sixty-acre field of wheat fully headed, north of latitude 53. Alberta will not need rain for another week.

D. C. MACAROW MUST FACE TRIAL AGAIN

True Bill Brought in Through Action of Attorney-General

From Our Own Correspondent.

MONTREAL.—Those who are anxious that the Merchants Bank affair be probed to the bottom were encouraged on Wednesday afternoon of this week when the Grand Jury before whom an indictment had been laid in connection with the late general manager, D. C. Macarow, brought in a true bill. This charges "wilfulness" in the making of "false returns." There was a feeling in legal circles generally that the Jury might be disposed to throw out the bill as the case had been dismissed by a Judge after a long inquiry. On the other hand the fact that the Attorney-General's Department of the Province took the matter up at the request of the Minister of Justice, gave weight to the efforts to secure a trial after the preliminary hearing had resulted in a dismissal. The case now will come to regular trial, before a Judge or a judge and jury.

It is presumed that further action in connection with any investigation will await the result of this new trial.

J. F. M. Stewart, who is well-known in financial and business circles, has been elected to the board of directors of the Home Bank of Canada, to succeed Senator A. Claude Macdonell.

KEEP RAILWAYS OUT OF POLITICS THE ONLY HOPE

Nothing Constructive Has Been Announced By Government

GREATER EFFICIENCY

Operating Costs Can Be Reduced—Various Units Are All Over-manned—Road Low in Operating Morale

Special Correspondent

OTTAWA.—Nothing of a constructive nature has been announced by government with respect to the Canadian National system. It would seem that the whole matter is to be left in abeyance until the session of Parliament is out of the way. Then the question of organizing the new Board of Directors will no doubt be taken up. It must appear both anomalous and wasteful, however, that in a matter involving many millions per month, a policy of drifting should be given effect. That will probably always be the case while every action has to be measured in terms of political expediency.

Obviously, the first step toward rescuing the public railway system from its present most unsatisfactory position is to set up a strong and capable board of management. The lack of such a board has been one of its weak spots for years past. It is doubtful if many people in the Dominion, anxiously watching the recurrence of deficits on a rising scale, were aware that the old Canadian Northern Board was in sole charge. This meant that the Minister of Railways, operating through his deputy, was in absolute control of the government railway group; so that there was direct political administration. All but three members of that board were understood to be more or less figureheads.

Politics At Work

Under such circumstances, it should not be surprising that results were bad. Politics dominated the system from end to end. There was waste and poor management in every department. Little or nothing was done to cut out the long and costly parallels in the West, nor was there a sign anywhere of genuine railway skill. And at this critical juncture everything will turn on the thoroughness with which this plan is broken up and something sound put in its place. The losses which have occurred in the past, and are still occurring, have not been wholly unavoidable. Therefore there is ground for hope.

It is necessary to look backward in order to see what must be done in the future—what must be done to pull the government roads out of the hole into which they have fallen. Public ownership was tacitly asserted in 1914, when the Canadian Northern broke down. The war had not then started. It broke down because it had been carried that far entirely on money or credit supplied by the Dominion and provinces, and in that year the inflow of capital ceased. In other words, its life was limited by the support it received from public sources. But public ownership in positive form did not begin until 1918. Every year since then the losses have been on a swelling scale. The operating loss in 1921, was superficially less than in 1920; but fixed charges formed a countervail, so that the situation was really worse. Since 1914, advances from the Dominion treasury and deficits have exceeded $600,000,000, and to that extent the

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Where Has The Money Gone?

Guelph is another community which is beginning to have serious doubts about Hydro. It will be remembered that the city was euchred out of a line to Puslinch Lake and a connection with the Grand Trunk system at Hespeler, when Sir Adam outpromised anything the Canadian Pacific officials could in reason propose. To use the expression, Sir Adam "swung the lead" with his usual effectiveness. But not only did the Hydro fail to build the connections promised; it also got the people to put up $150,000 to put the street railway system on its feet—or wheels—after the latter thought they were getting the local white elephant off their hands.

And now it appears that the Hydro has spent the $150,000 advanced by the city and, according to a "citizen who helps pay the damned piper," who sends THE FINANCIAL POST a report of the local council meeting, "there's nothing to show for the money." At this meeting of the council the proposal was discussed of having the street railway revert back to the city and Mayor Howard explained that the Public Works Committee had felt for some time that the Hydro was holding up the city in connection with the railway.

Commenting on this very unsatisfactory situation the Guelph Herald states that "it will come as a surprise to most people to learn that the sum of $150,000 already granted to put the street railway in Guelph on a better basis has been expended." The Herald demands a complete job and in the meantime a business-like statement of what it will take to insure that.

(Philadelphia North American)

PUZZLE

How to Let Out the Tame Ones and Keep in the Wild Ones.

A Tax on Deposits!

A Radical Proposal, Which Would Revolutionize Present System of Direct Taxation, Arouses Interest of the Business and Financial Community

Out of the lively discussion of ways and means for the raising of the necessary funds for national purposes under the budget, which has been heard recently, has come one suggestion of a radical character which has been received with considerable interest in the business and financial community. Whether it is workable or not is a question which has not been answered by the inquiries which THE FINANCIAL POST has conducted. The idea has advantages and disadvantages, whether the latter outweigh the former is a point upon which further opinions will be welcomed.

The proposal is in short to abolish all the present direct taxes upon incomes and upon business and make one general tax of a very low rate upon all bank deposits.

The principle upon which the suggestion is based is to get at the turnover of the dollar as an indication of created wealth or again and, therefore, a basis of assessment. It is difficult to get an estimate of what such a turnover would total but it has been roughly placed at $80,000,000.000. A tax of say $2.00 per $1,000 of deposits would give a revenue of $160,000,000.

The plan of assessment would be to have the banks make returns of all deposits made and the government would then levy on this basis.

For the scheme it is said:

(1) That it would dispose of all the present difficulties of levies and super-levies of taxes.

(2) That it would equitably distribute the burden of taxes over productive business.

(3) That it would dispose of the present expensive and largely inefficient tax collecting machinery.

(4) That it would mean the taxation of profits and incomes which are not being assessed under the present system of voluntary returns.

The objections are largely similar to those which have been raised against the cheque tax with the additional criticism that it would be a tax on thrift by discouraging the depositing of money.

It is claimed that individuals would be discouraged from putting their savings in the banks. To this answer is made in part that the rate would be much less than interest and that exemptions might be made up to a certain amount of savings each month to protect workers.

It is pointed out that business institutions would keep large sums out of the banks for current expenditures. The extent to which this would be done would of course be problematical. Undoubtedly many transactions could be arranged by direct payments to reduce the volume of deposits now being made but eventually it is contended the money will land in some depositing institution coming under the general definition of a bank.

It is argued that in the event of financial transactions in stocks and bonds the objections would be the same as in the case of the stamp tax—objections which at once appealed to the Minister of Finance so effectively that he made a radical change. Whether some means could be taken to overcome these objectionable features so as not to throw a monkey wrench into the financial machinery with its many duplicated transactions in money is an open question.

Objection is made on the ground that it would mean a task for the banks which would undermine efficiency. The answer is made that the same can be said of the stamp tax and that after all when the figures are in the books it would be only a matter of clerical aid to have them taken off for returns to the government.

When the many complex taxes and super taxes are taken into consideration the suggestion of one simple direct levy to embrace all charges upon business, earnings and incomes arouses interest. It is a matter, however, which would require careful consideration by the government and by the various financial, industrial and other interests represented. THE FINANCIAL POST desires to secure the views from various angles from these interests.

Some Studies in Federal Finances

How Public Debt Has Grown

Year	Net debt	Increase during year
1867	$ 75,728,641	....
1890	237,533,211	....
1900	265,493,806	....
1910	336,268,546	....
1913	314,301,625*	....
1914	335,996,850	$ 21,695,224
1915	449,376,083	113,379,233
1916	615,156,171	165,780,087
1917	879,186,297	264,030,126
1918	1,191,884,062	312,697,764
1919	1,574,531,032	382,646,969
1920	2,248,868,623	674,337,591
1921	2,340,878,983	92,010,359
1922	2,427,296,798	86,417,815

*Decrease of $25,617,835 during year.

Interest on Public Debt

Fiscal year ended Mar. 31	
1910	$ 13,098,160
1914	12,893,504
1921	129,118,279
1922	130,912,905

Growth in Department Expenditures

	1910	1914	1921
Legislation	$1,837,348	$1,651,742	$2,343,201
Customs—(a) Salaries & cont.	1,785,874	3,143,933	4,146,410
(b) Total	2,025,453	3,849,083	5,070,690
Post Office—(a) Salaries & allow.	2,741,089	6,015,363	10,889,417
(b) Mail	3,736,182	5,937,600	10,555,136
Civil Govt.	4,268,390	5,607,794	8,784,177
Justice	1,246,695	1,399,456	2,009,239

DEPOSITORS SAFE THOUGH COMPANY ASKS ASSIGNMENT

Dominion Savings To Be Merged Or Wound Up

NEGOTIATIONS FAIL

Proposal of Ontario Loan to Take Over Dominion Savings Rejected—Another Effort Being Made

The Dominion Savings and Investment Society, London, Canada, incorporated 1872, has made application for assignment. It is not absolutely certain that the assignment proceedings will be continued, however, for another effort to have the Company taken over by a strong existing company is at present under way. The terms offered by the Ontario Loan and Debenture Corporation were at the last minute rejected by the Dominion Savings. Then the Huron and Erie Mortgage Corporation made an offer subject to their receiving certain guarantees from other loan and trust companies. Wednesday night these negotiations were said to have fallen through, but on Thursday they were reopened and it is possible the Huron and Erie will get the guarantee of support from other companies which the directors feel they must have to enable their assuming the new responsibility without impairing in any way the interests of their own depositors, debentureholders and shareholders.

In the application for assignment it is understood is mentioned the name of E. T. Clarkson and the Imperial Trust Company of Toronto. That they will be in charge should the assignment be proceeded with however is not entirely uncertain, for an application to wind up the company is said to have been made by the London and Western Trust Company of London, Ontario, acting for a number of shareholders.

The application for assignment was a surprise, for, as was outlined in THE FINANCIAL POST two weeks ago, an effort was being made to have the affairs of The Dominion Savings and Investment Society taken over by the Ontario Loan of London. Seemingly all details had been satisfactorily arranged, but at the last the directors of the Dominion Loan determined the proposal was not satisfactory.

The feeling of those who have been studying the affairs of the Dominion Loan is that depositors and debenture holders will not suffer loss, though depositors especially will be put to some inconvenience. Debentures total some $300,000 and deposits $500,000. What, if anything, will be left for the shareholders is difficult to say. The paid-up capital of the Dominion Loan is given as

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Crop Reports

As in previous years, the Bank of Montreal will publish during the season frequent reports on the progress of the crops.

These crop reports are telegraphed to various centres, from which they will be mailed free to all who require them.

Application to be put on the mailing list may be made in person or in writing at any Branch of the Bank.

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JOINT MANAGING DIRECTORS:
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Subscribed Capital	£38,117,103
Paid-up Capital	10,860,852
Reserve Fund	10,860,852
Deposits (Dec. 31st, 1921)	375,117,092

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TAXES AND WAGES KEEPING UP THE COST OF LUMBER

Little Chance for Any Material Reduction in Prices

AS TO FREIGHT RATES

A Reduction Here Would be a Benefit to the Consumer in Eastern Canada in Lowering of Transportation

From Our Own Correspondent

VICTORIA.—If the railroads carry out their proposals of a reduction in freight rates on lumber, they will materially strengthen the position of British Columbia's logging and sawmill industries.

About a week ago the British Columbia Lumber & Shingle Manufacturers' Association adopted a new price list to serve as a basis for future sales. The new list provides for an increase of about 15 per cent. on common lumber and 18 to 20 per cent. on uppers. The increase was not authorized until the lumber interests became thoroughly convinced that they could not afford to continue indefinitely quoting prices that prevented them from operating at a profit.

The new railway rates, if put into effect, will practically absorb the increased price of lumber to Eastern provinces and States, which are now British Columbia's most important market.

"Government charges coupled with the other causes of increased cost, have made logging and manufacturing lumber so much heavier than they were a few years ago that the buying public might as well make up its mind that lumber prices will never tumble to the level that prevailed before the war," stated a prominent B. C. sawmill operator. "The industry now has to pay greatly increased stumpage and royalty charges and then the government also levies for workmen's compensation and forest protection service. All these expenditures may be necessary enough, but the ultimate purchaser has got to pay for them in the long run. The people of British Columbia make the laws and understand the situation fairly well but the Eastern buyer can't always appreciate the reason for jacking up prices.

The Increased Costs

They seem to find it hard to realize that where the mills used to be able to secure any amount of common labor for 20 cents an hour, they now have to pay thirty to thirty-five cents. Then there is the cost of towing. Towing used to cost us about eighty cents a thousand feet. Now it is nearer two dollars. The increased cost of coal and labor is the reason for that, but the buyer doesn't think that is his business and he ignores every factor except the point which seems to stick out the most conspicuously from his own view—namely, the price of lumber. With common lumber selling almost ever since last summer at less than the pre-war price, no one can accuse the lumber trade of profiteering. Yet the Eastern retailers and consumers still seem to nurse the suspicion that lumbering in British Columbia is producing huge dividends, and that is largely the cause of their hesitancy to buy in the past. This spring, owing to the long delay in obtaining stocks and the five-year postponement of extensive building, the East was compelled to buy and most of the coast mills have been handling orders. All these orders were closed on the old price list. If we attempted to put the new list into force there would naturally be a roar and perhaps a cessation of buying and we would eventually have been forced to take that risk, but the proposed rail rate reductions have removed a good deal of the danger. If the rail charges are reduced 16 per cent., as suggested by the Canadian National Railways, we will be able to sell lumber at the new price and the purchaser at the other end won't have to pay any more for it.

SMELTERS NEW MILL

Market Prices of Products are Showing Improvement

From Our Own Correspondent.

MONTREAL.— The Consolidated Mining & Smelting Co. announces that the new concentrator which will deal with the product of Sullivan Mine will be started at once. This will cost about $1,250,000 and the plant will be ten times as large as the largest concentrator now in the Kootenay district except at Trail. It is expected that the mill will be able to start operations early in 1923. The market price of the Company's products show a continued improvement. At the week-end a new high for zinc was named at East St. Louis at 5.42½ an advance of 2½, while lead is running from 5.75 to 5.95 cents. The stock held up well in the soft market early in the week.

"Fake" Assignments Bothering Retailers

REGINA.—A rather potent grievance which the Provincial Retail Merchants' Association is concerning itself about is the growing frequency of assignments. "Fake" assignments are unfortunately rather general and the honest business man who pays his bills regularly, finds himself in a peculiar position when competing with "Bankrupt Dealers." Two cases have been revealed here recently of Hebrews who effected a settlement with their creditors of 10 cents on the dollar. Immediately afterward they threw their stocks on the market at thirty cents on the dollar.

Co-operation of manufacturers and wholesalers, it is felt, will do much to remedy this situation, which is admittedly a difficult one to handle.

MANY FARMERS HAVE PHONES AND MOTORS

Big Increase in Use of Modern Equipment in United States

The extent to which farmers in the United States are now utilizing the latest aids in the way of mechanical devices and equipment is pointed out by the Trade Record of the National City Bank of New York, in connection with the 1920 census, giving figures of the number of automobiles, motor trucks, telephones and farm tractors in use on the farms of that country. The automobile and telephone are now a fixture in farm life not merely for comfort and convenience, but as an actual aid in business. In 1920 farmers had nearly two and a half million phones which represent 38% of the number of farms from which reports were received. Figures show the number of automobiles on farms in 1920 at 2,150,000, or considerably more than one-fourth of the automobiles in the country, to say nothing of 139,000 motor trucks and 246,000 farm tractors reported in operation on farms. Over 30% of the reporting farms utilize automobiles.

Still another evidence of the disposition of the farmer to utilize machinery is found in the fact that the value of implements and equipment in 1920 was nearly three times as much as in 1910, five times as much as in 1900 and seven times as much as in 1890.

On the other hand the census reports the value of horses on farms in 1920 only $1,782,000,000 as against $2,084,000,000 in 1910, a decrease of 14% in value of horses, while all other classes of farm animals increased in value in the same period.

LUMBER MEN ADOPT TRADE STANDARDS

Grading Sizing and Guarantees Are Decided Upon At National Conference

Standardization of products has extended to the lumber business. After many years of widely varying sizes and no set standards of quality the national conference of lumber manufacturers in session at Washington, unanimously adopted resolutions in favor of standardization of sizes and grades of lumber, and association inspection and guaranty of the integrity of quality and quantity. Fundamentally the whole question before the conference was one of business standards and ethics, the prime purpose of which was protection of trade and the consumer. The essential things were simplification of grades and sizes and actual guarantees thereof that would "go straight through to the ultimate consumer." In this way the lumber industry would show the public that it had put its own house in order and would establish high ethical standards.

It was recommended that the grading of lumber be divided into three great sub-divisions, namely, (a) representing the best grades, (b) representing the intermediate qualities and (c) representing the common qualities. It was further recommended that the various lumber associations set up competent committees with efficient engineering service, to endeavor as far as possible, to equalize the grades in all woods; this committee to confer with representatives of the consumnig public and departments of commerce and agriculture as the occasion may arise.

It was brought out that the lumber industry as a whole should provide such inspection service and supervision for the manufacturers in all associations as will guarantee quality to the buyers. The committee further recommended that all grading shall be done by properly supervised inspectors, that in the case of complaint official association inspection will be available, and that buyers may demand at their own expense a certificate of inspection with each shipment; that a card be placed in each car of lumber specifying grade and contents; that, if found practicable, an association trade mark may be placed on a sufficient portion of each shipment to protect customers, this mark to be such as to identify the producing mill.

CANADA A FIELD FOR THE BRITISH MANUFACTURERS

How They Are Losing Out to American Branches

JOBS FOR WORKERS

Suggestion That Best Way to Give Employment to Emigrants is to Build Factories Here

By Hon. Frank Carrol
A letter by Quebec Publisher in the London Times

There have been established in Canada during the past quarter of a century, or thereabouts, some seven hundred American and foreign factories. I understand they are all doing well.

These factories are efficient in production and low cost of operation. This is one of the highest aspirations of American industrial progress. Americans have not the aversion to branch factories which seems to exist in the older countries. Every branch factory which is erected is an improvement on its predecessor, so that the last is generally the latest and most modern, and often demonstrates wherein the mother institution can be improved in the way of reducing costs.

Efficiency seems to be a commercial science with Americans. Efficiency experts are constantly effecting economies. New labor-saving machinery is being introduced as fast as it is invented. Such modernism does not, as Labor representatives say, cut down general labor, but increases production at a less cost, with the same capital and plant.

Why, then, do the British manufacturers not take more interest in establishing branch factories in Canada, and be in a position to offer hundreds, if not thousands, of fine positions to the young men in this new land of development, which is yearly expanding in all lines of agriculture and industry?

Canada's Opportunities

I have endeavored to inspire a number of British manufacturers with the idea that it might be well worth their consideration to establish branches in Canada, and have been surprised at their conservative attitude on the subject. My object was to stimulate a small group to come over to Canada to study our country and see the ground for themselves.

While it is perhaps true that Canada is not ripe for every class of such branch factories, there is no doubt that there is room for a large number of them, particularly in a province like Quebec, where, within the next twenty-five years, the greatest electrical development of any part of the world is about to take place. In this short period of time millions upon millions of pounds will be invested in harnessing our immense waterfalls to generate electrical power for our railways and factories and those in the adjoining New England States. This will again reduce manufacturing costs.

Speaking on this subject a Government official here enumerated to me all kinds of reasons why British manufacturers did not go to Canada, among them the difference in electrical apparatus or appliances. This may be true, but would it not be in order to adopt the American product to fill the branch factory with orders?

Another reason ascribed was the Canadian preference tariff in favor of British goods. American factories were reaping a benefit out of it. Was the same opportunity not offered to the Britisher? Evidently Canada's good intentions in this respect were only a blessing in disguise.

Capital Available

Capital was also another reason. This I doubt from what I have seen in the way of subscriptions to large loans, since my arrival. Furthermore, the success of a number of English branch factories in Canada kills all argument I have yet heard against the British manufacturer starting business in this country and being able to offer a very large number of good positions to their growing sons.

Let anyone possessing any aspirations in this direction write to any of the industrial agents of any of the larger cities, including Quebec (in the midst of cheap electrical power, and excellent labor, free from all the ills of other countries), and he will receive much valuable information.

From existing facts, staring us in the face, it seems to me that all offices engaged in preserving British trade should be most optimistic relative to the establishing of branch factories, particularly in Canada, where, all things being equal, they would be assured of a thriving business and protection of capital in a growing country, whose population will soon rival the British Isles.

Coal exports from United States in April declined 472,318 tons compared with March, Department of Commerce reports. Because of strike, shipments to Canada fell off 517,915 tons, but to other countries shipments increased 45,597 tons over March.

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CONFIDENCE IN THE MEN BEHIND IS IMPORTANT

Look for Skill and Integrity in the Mining Promoter

ADEQUATE FINANCING

Money to Thoroughly Test Out the Report of Engineers is Necessary—Speculative Factors Present

By Austin R. Campbell

Most men, recognizing the risks attendant upon a mining venture, go into same with the desire to make all that is possible for the amount of cash employed, and this spirit makes the "prospect stage" most attractive though naturally most speculative. There are however, a number a simple tests that can be applied to such an offering and careful investors will observe them. Perhaps the chief cause of failure at this stage is the reckless use of funds in needless surface exploitation work or such work being undertaken without regard to the known geological facts of the district being applied.

Basically the rules of making a mining investment, in either the "development" or the "dividend" stage, are similar to making any other investment. It is a question of the men who are behind the enterprise and the amount of scientific skill that they bring to bear on the undertaking.

During the "prospect" stage, however, such fundamental rules must of necessity be largely suspended and the questions to be applied are reduced to, a confirmation as to securities of titles to claims, completion of statutory work, and an analysis of method to be employed to bring the "prospect" to the "development" stage. In this connection the three essentials of successful mining most-closely apply.

The prospecting should be carried out under the advice of a competent engineer, and the costs of such work should be restricted to a minimum, but yet be carried far enough to allow of sufficient exploration work to enable an engineer to later make a complete report on the possibility of "making a mine." The experience in Northern Ontario would go to assert that not until this work is completed can an intelligent report be submitted.

Adequate Financing Needed

Adequate financing should then be undertaken based on the engineer's report and sufficient money provided to carry the property through the development stage of being a producing mine.

Following this general plan investors would do well to view coldly, extravagant statements made prior to reaching the development stage and will even at that period use their influence to delay the erection of permanent buildings or expensive plant equipment until a large body of ore has been blocked out and its existence confirmed by the statements of mine managers and engineers.

That these principles of investment are achieving success is evident in the activities of The Mining Corporation and other groups of individuals who have undertaken this pioneer work in a systematic and conservative manner.

Stock Financing

Lastly it must be remembered that mining, because of its special nature, permits of certain arrangements of stock holdings that would be criticised in a purely industrial undertaking. The usual practice is for the original owner of the property to turn the claim or prospect into a company for a block of stock and more often than not, said block of stock represents the major holding or control of the business. While good and sufficient arguments can be raised against this practice, the fact that many of the most successful mines are to-day controlled by the original holders and the investors have profited beyond their wildest imaginings, would appear to justify the procedure.

Similarly, the money used on a mine from the prospect to the development stage, often produces little visible results. Travelling expenses and costs of feeding men, may cut large holes in a company's treasury and cause many a doubt in the minds of stock holders. Promotion costs are admittedly high, and it is doubtful if in any other industry so large a part of the subscription goes to intangible things. These facts make for the speculation in mining and little can be done to reduce them materially. But the ultimate return if successful will more than justify the outlay.

Berlin copyright to Herald says expectations of assistance from America are keeping mark exchange higher than economic situation warrants. Among powerful manufacturers and industrialists, however, there is increasing opposition to acceptance of loans not accompanied by cut in reparations.

ALBERTA COAL STRIKE

Costs Miners $1,000,000 in Loss of Wages in One District

From Our Own Correspondent.

EDMONTON.—The coal strike in District No. 18, now in its eleventh week, has already cost the miners of Alberta over $1,000,000 in loss of wages. There is not thought to be much chance, however, of a settlement until the larger strike of the American miners has been settled. In the meantime little actual inconvenience is being caused to the general public. The strike does not affect the mines in the Edmonton district, and enough coal is being produced in other parts of the province by non-union labor to supply the local summertime demands.

Operator's losses through the suspension of work at the mines are difficult to estimate. The larger mines figure usually that it costs them around $20,000 a month for upkeep and repair work during a period of idleness.

EMPLOYERS OPPOSE LIMITATION OF HOURS

Bill Before the Ontario Legislature is Amended After Representations Heard

A bill before the Ontario Legislature proposing to give the Minimum Wage Board power to fix maximum hours of work in various industries met with vigorous opposition by employers of labor in various industries. Organized action to bring the viewpoint of employers to the attention of the government was taken by the Canadian Manufacturers' Association, the Associated Boards of Trade, the Credit Men's Association and particular industries and it was urged that as the measure was in principle absolutely unacceptable an opportunity should be given for employers to present their views.

Such an opportunity was given by the government with the result that the bill was amended so that the limitation of hours applies only in the case of the minimum wage. That is where there is a week set of so many hours then the minimum wage shall apply to such a week but the week can be lengthened on the basis of increased wages for the additional period.

RETAILERS CARRY HEAVY BOOK DEBTS

Western People Not Inclined to Pay Up When They Have the Money

From Our Own Correspondent

REGINA.—A retail merchant's difficulty in Saskatchewan—as indeed in most provinces of the West—is the credit situation. Men who started in business fifteen or twenty years ago are still carrying accounts contracted when they first opened up, and upon which small payments are being made from time to time, concurrently with the securing of more goods. Many dealers, whose total stock of general groceries and supplies, will not total at any time in the year more than $3,000 or $4,000 are carrying as high as $20,000 on their books.

Just as Premier Charles Dunning pointed out in a recent address, a farmer cannot wipe out an accumulation of debts over a period of years by the sale of a crop in one bumper year. In this connection he said that most of the trouble in the past had been caused by credit being free when it was not urgently needed, and decidedly tight when the financial requirements of the farming industry were vital.

In Alberta, legislation has been passed which more or less compels credits. In Saskatchewan, those closely connected with the government decline to advocate such a procedure. In any case, it is evident that Hon. Mr. Dunning has hit very close to the bull's eye in regard to the evils of "easy credits" in good times. At such periods the fever of money spending, characteristic of the newly rich, sets a pace which more often than not lands in the bankruptcy court. Moreover, extravagance is contagious, and extravagance in nearly 50 per cent. of cases, is the reason the grocery bill remains unpaid.

RAILWAY EARNINGS

Increases in All Roads in Gross First Week of June

From Our Own Correspondent.

MONTREAL.— Traffic earnings of the three Canadian railroads for the week ending June 7 showed the first general increase for some time. The gross earnings amounted to $7,054,575, an increase of $261,000. The largest increase was shown by the Grand Trunk in $172,000 with Canadian Pacific next and Canadian National next.

Road	1922	Increase
Canadian Pacific ..	$3,061,000	$ 70,000
Grand Trunk	2,003,083	172,852
Canadian National..	1,990,492	18,346
Total	$7,054,575	$261,198

G.T.R'S APPEAL TO PRIVY COUNCIL ON TWO MAIN GROUNDS

Protest Use of Drayton-Acworth Report As Violating Agreement

'REPLACEMENT VALUE'

This Should Have Been Allowed Company's Counsel—Fight Over Nothing vs. $48,000,000

From Our Own Correspondent

MONTREAL.—A. W. Atwater, K. C., sailed this week for England to appear before the Privy Council in the appeal taken by the Grand Trunk Railway Co. against the award of the arbitrators as to the purchase price of the road by the Canadian Government. The case will come up for hearing the second week in July. THE FINANCIAL POST understands that the basis of the appeal against the award in which Mr. Justice Cassels was chairman, Sir Thomas White, the representative of the Canadian Government, and Mr. Justice Taft, the representative of the company, will be made on two points. One of these is as to whether the evidence as to what was called "replacement value" of the Grand Trunk properties should not have been allowed as part of the proceedings. This was ruled out by Mr. Justice Cassels supported by Sir Thomas White, and in the face of the protest of Mr. Taft.

Claim Use of Report Unfair

Another point of appeal will be that Chief Justice Cassels formed his opinion and his judgment largely on statements made in the Drayton-Acworth report which dealt with the whole railway situation in Canada. It will be claimed that while this report was filed with the arbitrators it was on the understanding that it should not be accepted as evidence. No attempt, it will be claimed, was made to prove the statements contained in this report, nor on the other hand was any attempt made to disprove them by counsel for the Grand Trunk Railway Co. as they believed that the reports would not figure in the judgment rendered.

In his judgment in connection with the report of the arbitrators, Mr. Justice Cassels quoted several pages of the Drayton-Acworth report.

Mr. Taft, in dissenting from the judgment of the majority of the Board of Arbitrators, referred to the use of this report in the following terms:

Disavowed as Evidence

"That report was admitted in evidence as reflecting on the value of stock quotations, and for other limited purposes, and its use as evidence by way of admission against the company or its shareholders was distinctly disavowed by Counsel, and as I understood it, that disavowal was approved by members of the board. This is apparent from the record from which I quote at length."

Was Not Bankrupt

Mr. Taft argued that this report should be given no weight to establish the bankruptcy of the Grand Trunk Railway Co. then, that is in 1917, or later. Counsel for the government, he said, showed that Mr. Chamberlain's statements were only part of the plans to show that the Grand Trunk was in a worse condition than it was. "It is not just," he added, "to visit the responsibility for such evidence upon innocent stockholders, and thereby establish against them a probable bankruptcy which their directors really did not credit and were adopting most questionable methods for an ulterior purpose to prove that the Grand Trunk could not carry the Grand Trunk Pacific." He went on to state that the surplus for the year was $11,319,341 which was large enough to pay the full guarantee on the Grand Trunk Pacific debentures, and dividends on the 4 per per cent. guaranteed stock of the Company, and dividends on the three preferred stocks and leave a surplus of more than $2,000,000 for extra maintenance.

Mr. Taft's Valuation $48,000,000

The Canadian Government, it will be recalled, agreed to give government securities in place of £12,500,000 of guaranteed stock, and pay 4 per cent. on this which would be $2,500,000 a year, and in addition to guarantee payment on debenture stocks amounting to £31,926,125, some of them bearing 5 and the balance 4 per cent. The question before the arbitrators was to determine the value of the three preference stocks and the common stock of the company in addition to the government guarantee. The total amount of the four securities was £37,073,092 of which the common stock amounted to £23,955,437.

The judgment of Sir Walter Cassels and Sir Thomas White declared that this preference stock and common stock was of no value while Mr. Justice Taft declared that the value should be held at not less than $48,000,000.

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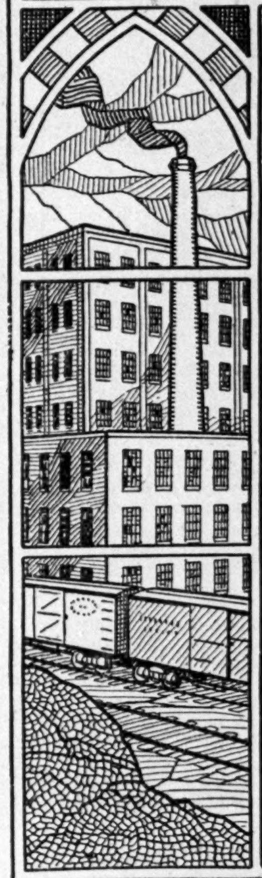
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THE PREDICTED REACTION HITS STOCK MARKETS

But Indications Are of a Healthy Re-adjustment

MONEY SITUATION

Some Indications That Higher Rates Are Ahead and That More Conservative Securities Are Attractive

A reaction in the New York market for speculative securities such as has been predicted for some time came sharply this week. However, as has also been forecast it evidently reflected an adjustment of an over-extended market movement rather than any change in the underlying business situation which is now quite generally showing signs of that forward step which the ticker tape has been discounting for some months. The decline was checked apparently when a study of outside conditions brought conviction that there was no change in real values and that the slump had brought prices into line with values. Money is still easy but it is being pointed out that with an expansion of about a billion dollars in brokers' hands—made possible through curtailment of commercial loans—the days of tighter money may be in sight. Financial authorities believe that the first chapter in the cycle of loan deflation and subsequent inflation, is ended, and the second chapter is about to begin.

That the New York market had been over-extended from the speculative standpoint was indicated by the fact that while the reaction there was accompanied by a sympathetic easing of quotations on the Canadian exchanges there was nothing like a general break in prices and losses were comparatively small. Generally speaking the Canadian market has shown little net change in its position recently although speculative buying has evidently been checked somewhat. Some of the specialties have provided an interesting performance, with Brazilian and Toronto Railway in the centre of the stage.

The mining market has continued its dull complexion with little strength in prices. Where there is evidence of buying demand, however, quick rallies have been staged indicating that there is a tendency to mark time after the recent boom.

Victory Bonds Easier

Victory bonds, which are the barometer of the bond markekt, have shown a tendency to weaken considerably in price during the past week. There are several reasons why bonds have not continued their rise. One is the certainty that there will be a domestic loan for the Dominion in the fall. Another is the fact that large institutions that are the big bond buyers are only now taking up bonds they bought before the rise in November and December last, and are not now buying bonds. Still a third reason, and one that has precipitated the sagging off of prices, is the action of Vancouver and Victoria in selling large amounts of Victory bonds in their sinking funds to purchase longer term securities. Bond men do not look for a return to strength before fall.

While the recent stock market reaction is likely to be followed by others, opinion seems to be that unless there is some such general disturbance as a railroad strike business will continue to expand in the United States with attendant earnings. This should indicate a generally upward movement in security values but it should not be forgotten that further advances are extending the position of the market and that for the average investor, more conservative securities are becoming more attractive.

WARNS SHAREHOLDERS

Tiger Tire's Manager Talks of Stock Manipulation

In a letter to the shareholders of the Tiger Tire and Rubber Company, General Manager H. H. Hastings, says that a letter has been sent out from a so-called brokerage concern in Toronto in which they offer to purchase Tiger stock at a sacrifice. They may, he adds, even offer to sell Tiger stock for less than par.

Mr. Hastings tells the shareholders not to be deceived or tricked into selling at a sacrifice. He says that Tiger stock could not be delivered below par excepting in very rare cases in which some shareholders needing money badly might be induced to sell at a sacrifice.

CROW'S NEST PASS COAL

The net profits from all sources of operations of the Crow's Nest Pass Coal Company for the year 1921 were $341,-938, according to the twenty-fifth yearly statement presented to the annual m[illegible] company here. Four [illegible]ds of 1½ per cent., or [illegible] cent. per year, were [illegible]tributed among

LYALL'S AND WELLAND CANAL

Construction Firm's Tender Lowest And Stock Jumped

From Our Own Correspondent

MONTREAL.—Lyall stock came into prominence this week with a big jump, as a result of a report that the firm had been awarded a "fat contract" in connection with the Welland Canal construction. It is understood that the firm was the lowest bidder on the work by a large margin, and that if it secures the contract the total will run into the neighborhood of $16,000,000. Work hitherto on the sections of the Canal has been carried on up to the present by Quinlan and Robertson on a "cost plus" basis, but the new tenders called for were on a flat basis.

KEEP RAILWAYS OUT OF POLITICS THE ONLY HOPE

(Continued from page 1)

debt of the country has been increased.

No Early Hope

There is no immediate hope of reducing fixed charges; but something could be done to cut down the operating loss. The start this year has not, however, been encouraging. For the five months ended May 31st there has been a shrinkage of about $8,-000,000 in gross earnings. yet it is only fair to say the Canadian National has not stood alone in that regard. On the other hand, operating expenses have been kept down. Last year there was a general election and there was not nearly as much retrenchment as there might have been.

How can operating results be bettered? In the first place, the number of employees can be reduced. The various units are all over-manned. There are too many unnecessary officials drawing high pay. Efficiency can be greatly increased. As compared with the Canadian Pacific, the government roads pay more and get less; and this, let it be said without fear of successful contradiction, is a drawback which attaches to public ownership the world over. From the day that a republican government got possession of the German railways the state roads were shockingly over-loaded with voters, and to-day Germany is compelled to restore corporate ownership as the only means of saving her transportation interests. By every reasonable test of operating skill the Canadian National is exceedingly weak, its low average trainload being a striking example.

Keep Out of Politics

There must be a new life and a new morale put into the Canadian National, and this means complete re-organization. But above all, the system must be absolutely divorced from politics. If that were done, and a Board of Directors of the right stamp placed in charge, many changes on the side of economy and efficiency could be given effect. If a trace of political control is allowed to survive, very little will be done to recast the Western layout on such a basis that it will have a reasonable chance to earn operating cost. While politicians can interfere, the present main line mileage will be maintained, and the best administrative skill in the world will be unable to make out of it a sound railway proposition.

Politics created the Canadian Northern and the Grand Trunk Pacific, and until a strong and independent railway management is substituted we shall unquestionably have increasing capital charges and continuous deficits. Therefore, as has been said, everything looking to the future will turn on the kind of board which the government appoints as soon as Parliament has prorogued. The right kind of a board will courageously seek to make a real railway out of what is now a weak system dominated by politics. The situation is so serious that it is necessary to speak frankly and boldly at this juncture. There is a way out; but that way lies in the opposite direction to that which has thus far been followed.

DULUTH-SUPERIOR

The Duluth-Superior Traction Company reports passenger earnings for the first week in June amounting to $30,684, compared with $33,022 for the corresponding period last year, a decrease of $2,337, or 7.1 per cent.

HUDSON'S BAY CO.

The announcement that the Hudson's Bay Company has declared a dividend of 45 per cent., an increase of 5 per cent. over the previous dividend, has been received in London with pleasurable surprise. The one pound shares of the company are now quoted at 5¾ pounds.

TWIN CITY

President Horace Lowry of Twin City Rapid Transit Co., commenting on the declaration of a 2 per cent. dividend on the common stock, stated that the disbursement was a semi-annual payment, in the hope and expectation that it will be possible to keep the stock on a $4 annual basis.

The common dividend was passed in June, 1918. Including 1919, and up to the present time, it has been the custom to pay an annual dividend on the common when the result of the year's operations is known. Last year an annual payment of $4 was made. A $2 dividend was declared last February, which, wi[illegible] brings dividends [illegible]

THE INVESTOR'S RIGHT TO WAGES ON HIS CAPITAL

Significant Decision By United States Court Of Appeals

WAGE MUST BE FAIR

Ruling Indicates That Court Believes That Shareholders Should Get Dividends But Should Not Profiteer

A recent decision by the United States Court of Appeals seems to establish the principle that stockholders in an industrial corporation are entitled to dividends out of accumulated surplus, even at the cost of a forced sale of capital assets. The reports covering the decision are not quite clear on the latter point, says the American Exchange National Bank, but there seems to be no doubt about what the Court held in connection with the right of stockholders to dividends in cases in which it can be shown that the corporation has accumulated a surplus; in other words, the decision is regarded to holds that capital is entitled to wages under such conditions if current earnings fall short of dividend requirements, especially if salaries paid to officers by the controlling interest are found to be out of proportion to income.

In this case, which was decided at a sitting of the court at Milwaukee, was ordered that the president and the vice-president of the corporation refund $3,000 each out of salaries of $15,000 paid to them during 1921, and commanded the corporation to pay a dividend of 6 per cent. for that year. Furthermore, the court suggested the sale of certain properties owned by the corporation and retained continuing jurisdiction for the implied purpose of seeing to it that a satisfactory settlement of the rights of the parties was reached.

The decision arose out of a suit brought by the heirs of one of the founders of the company for an accounting and to compel a declaration of dividends. The corporation was organized in 1893, with a capital of $250,000, and the petition alleged that the total assets of the corporation now exceed liabilities by something like $900,000. The decision is said to estabish a precedent in such cases, and it is apparent that if sustained it will have an important influence upon the dividend policies of numerous corporations. Under this principle of law the familiar "freeze out" accomplished through starving minority stockholders would soon become a thing of the past. But the limitations placed upon the size of the dividend by the decision is perhaps as significant as the presentation of the principle that a stockholder in a corporation is entitled to regular compensation for the use of his money.

Stockholder's Position

In view of the fact that in the main corporations have heretofore been regarded as entities whose will was legally and rightfully expressed through self-constituted mediums, it is perhaps incorrect to refer to any concession to an individual stockholder as a "limitation." It is nevertheless significant that in undertaking to distinguish the rights of capital invested in corporations, the court should fix upon the conventional rate of 6 per cent. as the rate of compensation to which stockholders who have an interest in large surpluses are entitled. As a whole, the stockholders of course retain unlimited control over all corporate assets in whatever form, being free now as ever to do what they will with surpluses and other funds as the corporation remains solvent and their acts in dissipating or conserving the corporate property do not invade the rights of creditors. But, in reasoning, it is only a step from the right of a minority stockholder to a dividend to his right to a pro rata share of corporate surplus, or, in reverse, from a limitation to 6 per cent. upon a single stockholder to a similar limitation upon the entire body of stock holders; in other words, if the courts set up the principle of the right of individual owners of capital invested in corporations to compensation, and limit that compensation to the conventional 6 per cent. are the precedents thus established as to the extent of compensation not likely to establish 6 per cent. or some other arbitrary figure as a common limitation upon the wages of capital in general?

A Tendency to Limit

It is undeniable that a tendency toward limitation upon the distribution of corporate earnings is developing quite independently of the decision in this case, and it may be that the opinion of the court is more of a reflection of that tendency than it is a new departure. The tendency referred to has arisen in connection with a desire on the part of corporate management to conserve resources against future needs and to provide for extensions and improvements out of earnings. In another aspect, the decision establishing the right of capital to wages is likely to increase confidence among investors in industrial and other common stocks. Under this principle of law the investor in common stock need no longer consider the possibility that the management of a given corporation might be opposed to dividends, and need only to look to the earning ability of the corporation and its management in reaching a decision for or against investment. This is an advance step in a system which draws capital into corporate enterprise on the scale of modern capitalization.

Collingwood Shipbuilding common enters the group of dividend payers, the initial distribution at the rate of 1¼ per cent. having been announced a day or two ago.

Increased Production of Steel Has Continued

PITTSBURGH.—Production of steel has continued to increase slowly, and the rate of ingot output is now well above 38,000,000 tons a year, against rates of 35,000,000 tons when the coal strike started and 20,-000,000 tons last December. Production in May was at a rate of about 38,250,000 tons a year. Pig iron production has likewise increased, steel works blast furnaces producing iron at 6½% better rate in May than in April, while the merchant furnace rate gained 24%, making an increase in pig iron production as a whole of 8%. Rate of output June 1, according to the Iron Age report, was about 4% above the average May rate.

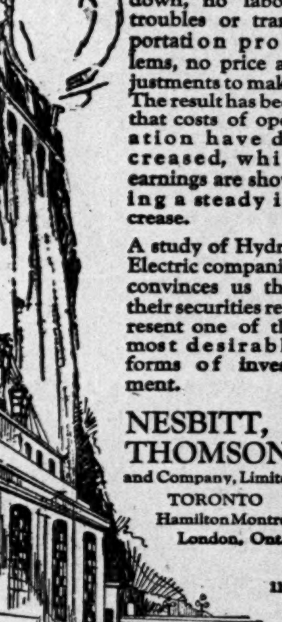
Despite the substantial increase in steel production in the first two months of the coal strike, the pressure upon steel mills for deliveries continues heavy. In the open market premium prices are the rule when early deliveries are sought and they are paid freely, although on no really large tonnage.

UNLISTED SECURITIES

	Bid	Asked
Abitibi Gen M. 6s 1940..	87	90
Algoma Steel 5s 1962....	55½	57¼
Alta. Pac Grain com	102	112
Do pref.	85	88½
Amer. Salesbook 6s	99	....
Ashdown Hard. 5s 1928..	86¼	....
British Amer. Assur.	3	4½
Burns, P., 1st M 6s 1924.	100½	....
Can. Marconi Wireless....	2⅜	2⅝
Can. Oil com	50	53
Do pref. 8 p.c.	89	92
Can. Westing. 8 p.c.	112	....
Cockshutt Plow 7 p.c. pfd	48	50½
Colling. Ship. com.	40	....
Do 6s	91	....
Cuban Can Sugar pref..	18	....
Davies, Wm. 6s	99¾	....
D. Iron & Steel 5s 1939..	76	78
Durant Motors	9½	10½
Dunlop Tire pref	....	82½
Eastern Car 6s	88	92
English Electric com	21	25
Famous Players pref 50% bonus com.	52	55
Great West Life	200	....
Gunns Ltd. pref.	62	66
Harris Abattoir 6s	96	....
Home Bank	....	100
H. Smith Paper 7s 1941..	93	95
Imperial Oil	114	....
Inter. Milling pref.	82	85
Do 6s	92½	....
Inter. Petroleum	23	24
King Edward Hotel 7s...	84	86½
K. & S. Tire bonds	....	80
L. Superior Paper 6s	95	....
Lambton Golf	390	420
Man. Life 20% paid	38	....
Massey Harris..	48	52
Mattagami Pulp debs...	34½	....
Murray-Kay pref.	56	60
Mex. North Dev. com. ..	6	7¾
Mt. Royal 8% debs, with 30% bonus	....	97½
Mutual Oil	10¼	11¼
National Life	41	....
Neilson, Wm. 6s	90	....
N.S. Steel 6 p.c. debs...	78	83
Ontario Pulp 6s	95	....
Robt. Simpson pref	84½	....
Rosedale Golf	235	....
Spanish River 8s 1941....	100	102
Sterling Bank	101½	105
Sterling Coal com	18	21¾
Toronto Power 5s 1924 ..	94	96
Trust & Guarantee	71	....
Western Assurance	4	5½
Western Grocers pref. ...	58¾	....
Western Power 5s	77	....
Whalen Pulp com.	....	10
Do pref	27	30
Do 7% debs.	59	....

Forging Ahead

Alone practically among industries, deflation has worked to the benefit of Water Power Companies.



Their business is on a cash basis, there were no inventories to write down, no labour troubles or transportation problems, no price adjustments to make. The result has been that costs of operation have decreased, while earnings are showing a steady increase.

A study of Hydro-Electric companies convinces us that their securities represent one of the most desirable forms of investment.

NESBITT, THOMSON and Company, Limited
TORONTO
Hamilton Montreal
London, Ont.

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Public Utilities

Electrical power is recognized as supreme among the public utility services.

All other public utilities rely largely on electricity for their motive energy.

Entire communities are dependent for their light, heat, work, and even to a great extent their food, on an uninterrupted supply of power.

It is the dominant factor today in the industrial life and progress of the nation.

Because of these advantages power securities enjoy a very wide market and are regarded as a class as ranking second only to Government and Municipal Bonds in point of safety.

Buy Power Bonds
Information gladly supplied on request

F. C. SUTHERLAND & CO., Limited
INVESTMENT BROKERS
4 & 5 King Edward Hotel Building
TORONTO, ONT.
Phones Main 6204-5-6

Where Do You Sell?

What Income Tax Figures Show

In one typical Canadian city 6,501 people paid income taxes in one year. Of these people 4,274 had incomes below $6,000. Another 1,215 had incomes below $10,000. Thousands more had incomes too small to be reported. Only 1,012 had incomes of over $10,000.

But note carefully the following figures: Those 1,012 people with incomes of $10,000 and over paid $1,813,637 in income taxes. The 5,489 with incomes from $2,000 to $10,000 paid $392,818. The great masses of the people in the city paid nothing.

Incomes of $10,000 up — 1,012 People Paid $1,813,637 Income Tax

Incomes of $2,000 up — Real Buying Power — 5,489 People Paid $392,818 Income Tax

Incomes below $2,000 — Small Incomes and Small Buying Power — Thousands of People Paid NO INCOME TAX

If you have a quality product to sell where is your market? Can you sell automobiles or bonds or insurance policies or face brick or a banking service to the thousands of people of meagre incomes and just as meagre purchasing power? Of course not; you have to sell such to the people of larger incomes, of larger purchasing power.

Through THE FINANCIAL POST the advertiser reaches the industrial leaders of Canada, the financiers, the dominant men in every community whose individual purchasing power is unimpaired by fluctuating business conditions and who control buying policies for larger institutions.

With a circulation that is audited by the Audit Bureau of Circulations and which on this basis is larger than that of any other Canadian business or financial publication THE FINANCIAL POST offers the advertiser of quality goods the straight road to his only possible clientele.

THE FINANCIAL POST Gives the Advertiser "QUANTITY of QUALITY"

MUCH ACTIVITY IN THE MINES AT KIRKLAND LAKE

Record of Achievement is Anticipated This Season

U.S. CAPITAL COMING

Many New Enterprises Which Promise to Greatly Increase the Output of the Camp

From Our Own Correspondent

KIRKLAND LAKE.—Great history is being made this year in the Kirkland Lake camp and the close of 1922 should show a record of achievement hitherto unequalled in Northern Ontario mining. To-day the camp is so full of news of new plans, development, new companies, etc., that it is hard to decide just what news is the most important.

There is the wonderful progress being made on the Lake Shore, the entry of large U. S. interests into the camp with control of the largest group of claims of any company, while at the same time there is an army of prospectors working in the unstaked portions of the camp to the east.

Looking at the question from a broad provincial standpoint, the Lake Shore development must stand out. The 600-ft. level drift on this property is now about 2000 ft. long with good ore being found for about four-fifths of that length. This practically consistent mineralization contains the rich ore which has already made the Lake Shore famous.

However, the matter of immediate concern is that mining men are today speculating as to the ultimate value of this great vein and the figures of from fifty million dollars on are talked of. For this vein, with its great length on the Lake Shore property, extends on both sides of this property. To the west it crosses the Teck-Hughes, Kirkland Lake. To the east over the Wright-Hargreaves, Sylvanite and Kirkland Lake Proprietary.

How deep the deposit goes is as yet a matter of speculation. Provincial geologists are credited with the assertion that the deposit will continue to great depth. Experience has shown that the mineralization increases as the workings go down.

U. S. Capital Coming

Thompson and Chadbourne, New York mining engineers, are leading considerable United States capital into the camp by the launching of the Noranda mines. The proposition is really a syndicate of New York mining men and their total holdings are placed at anywhere from 50 to 60 claims.

Some of their properties consist of a group east of the Tough-Oakes in Lebel Township, and the United Kirkland adjoining the Elliott Kirkland in Teck Township. G. W. Dixon, Cobalt, optioned the claims and it is said that the total purchase price will run well into six figures. The Elkstone-Dunkin in Gauthier is also held and here some satisfactory work has already been accomplished.

It is understood that the syndicate will explore the claims and those deemed worthy of further development will be handled by the forming of subsidiary companies. The capital of the Noranda is $500,000 with shares of par value of $100.

Many Prospectors Here

Percy Hopkins, Ontario Government geologist, who is engaged on a survey to the east of the present camp, including Lebel and Gauthier Townships, is credited with having reported encountering more prospectors in the field this year than ever before. The search for precious metals this year is widespread throughout the north but the greatest attention is being devoted to the eastern portion of this camp.

The Kitchener-Kirkland has increased its holdings to 300 acres by the acquisition of the five Wessell claims which adjoin on the south and which are a short distance north of the Wright-Hargreaves.

The Tough-Oakes property is again turning out gold bricks after an idleness of years. The Kirkland Lake Proprietary is now operating this property, along with the Burnside. For the present the mill ore will be taken from the 400-ft. level. A north crosscut to No. 2 vein is complete and a drift is in 65 feet. A crosscut also being run from the bottom of the shaft, 550 feet, is soon expected to cut the downward continuation of the main deposit.

The Kirkland Lake Mining Company is continuing its drive to deeper levels and 900 feet has now been reached. It is understood that the shaft will be carried on and stations cut at 1,050 and 1,150 feet.

A good ore shoot has been opened at the 900-ft. level. Milling is still restricted and profits consequently small as the development work is not yet at the stage to allow capacity operations. However, production is paying for the full development work and great interest now centres on the results obtained at the deeper levels, the deepest in the camp.

Speeding Up Production

While the Teck-Hughes-Orr merger which is said to be the plan of some South African interests, is still in the air, the Teck-Hughes mill continues to speed up production and the May figures show a new record of achievement in the handling of an average of 156 tons. The production is somewhere in the neighborhood of $50,000 a month.

A small amount of ore is being taken from the development of the new discovery on the 730-ft. level but for the most part the milling ore is being drawn from the upper levels. Ore from the 500 and deeper levels should start to be drawn late this month when the new hoist is in place. The lower level ore is richer and the result should be a consequent increase in the monthly values.

The new deposit on the 730-ft. level is being well opened up, 200 feet having been completed. The width on the east face was found to be 6 to 7 feet and the average gold content excellent.

The Bidgood is nearing the production stage rapidly. Work now centres on the 400-ft. level and some excellent ore is being opened up.

HIGHER DIVIDEND FOR DOME MINES

Shareholders Benefit by Improved Position Respecting Earnings

Reflecting the improved earning position of Dome Mines, Limited, was the announcement of President J. S. Bache at the annual meeting this week of the increasing of the dividend from $1 to $2 a share. Furthermore, President Bache pointed out that the company would pursue in so far as earnings permitted, and after making allowance for surplus the policy inaugurated this year of continuing the repayments on capital. It will be recalled that the initial payment of $1 per share was announced two or three months ago, and the president informed the shareholders that the distribution of an additional repayment of $1 per share was contemplated before the close of the year. While the position of the company probably warranted a larger distribution than was made earlier in the year, Mr. Bache made the specific promise that the shareholders would at least receive an amount equivalent to the initial payment.

Optimistic reports of the company's operating position were presented by Vice-President and General Manager H. P. De Pencier, who was asked to review the developments since the close of the last fiscal year. He pointed out that development operations had been extended, and a cutting had been made into the ore on the 11th level. Ore from this level assayed at $20 a ton, and ore from the 9th level had assayed $10. The property, he added, had been worked down to a depth of 1,150 feet, and so far $15,000,000 in gold had been extracted. A shaft had been sunk 450 feet further, and investigation showed no change in rock formation at the greater depths. Within the next nine months, Mr. De Pencier pointed out, drifting and cross-cutting would be under way in this section of the mine. No work had been undertaken on the Dome Extension during the past year, a policy of concentration of effort having been followed.

RAILROAD EARNINGS

Gross earnings of the Canadian Pacific Railway for the week ending June 7, totalled $3,061,000, compared with $2,991,000 for the corresponding period last year, an increase of $70,000, or 2.3 per cent.

Earnings of the Canadian National Railways for the week ending June 7, amounting to $1,990,492, showed an increase of $18,346, or .9 per cent.

The Grand Trunk reports earnings for the first week of June amounting to $2,003,083, an increase of $172,852, or 9.4 per cent.

MINING STOCK QUOTATIONS

Week Ending June 13

	High.	Low.	Close.	Sales.
Adanac	1⅛	1	1	11,500
Apex	2¾	2¼	2¾	5,500
Atlas	22	19½	20	56,500
Bailey	1½	——	——	1,000
Beaver	30½	30	30	16,800
Chamber-Ferlands	4¾	4½	4¾	3,500
Coniagas	1.26	——	——	100
Cons. Smelters	24	22½	22½	2,111
Crown Reserve	15¾	14¾	15	8,500
Castel Trethewey	23	20	20½	30,500
Dome Extension	75	——	——	11
Dome Lake	11	9	10¾	14,500
Dome Mines	29.00	27.40	27.65	1,790
Gordon Murray	30½	25	30	50,000
Gold Reef	2½	1¾	2½	23,500
Hattie	13	12	12	2,000
Hillcrest, pref.	70	70	70	2
Hollinger	9.58	9.15	9.25	5,400
Hunton	7¼	6½	6½	12,500
Keora	9	8	8¼	8,500
Kirkland Lake	41	38	38	800
La Rose	33	32	32	12,000
Lake Shore	2.18	2.05	2.16	11,400
McKinley Darragh	25¼	23	23	6,000
McIntyre	17.60	16.50	16.50	2,238
Mining Corp.	1.02	1.00	1.02	2,800
Moneta	11	10	10	11,500
Newray	21¼	19½	19½	25,500
Nipissing	6.20	5.50	6.10	462
Ophir	1⅞	——	——	2,000
Peterson Lake	5½	5	5½	2,500
Porcupine Crown	24	22	22	16,500
South Keora	43½	43	43½	4,000
Porcupine V.N.T.	23	20½	22½	116,500
Preston E. Dome	6½	6	6	18,000
Schumacher	65	63	64½	36,500
Silver Leaf	⅞	——	——	1,000
Teck Hughes	49	45½	46	73,500
Thompson Krist	4½	——	——	1,000
Trethewey	3½	——	——	5,000
West Dome	11	9½	10½	22,500
Wasapika	8	7	7¾	65,000
West Tree	7	5¾	7	18,000
Baldwin	6	2½	4⅝	35,000
Boston	25¼	25	25	2,500
Wakenda	4½	3	3	7,500
Wright Hargreaves	2.75	——	——	200

STOCK MOVEMENTS OF THE WEEK

Week Ending June 13

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	186	184	184½	180½	184½	58
Dominion	12	....	189½	190½	188	190½	76
Hamilton	12	167	166	167	166	166	21
Hochelaga	10	152	151¼	150¼	145	150½	138
Imperial	12+1	172	170	172½	172	172	94
Montreal	12	218	215	219	218	218	294
Nova Scotia	16	....	260	260	260	260	40
Royal	12	200	198	199⅞	198	199	202
Standard	14	201	200	201	200	201	54
Toronto	12	178	176½	178	177	177	43
Union	10	136	135	136	135	135	31
Industrials, Utilities, Etc.—							
Abitibi Pulp & Paper com.	..	50¾	50	52½	50½	51	2835
Ames-Holden pref.	..	....	7	8	8	8	320
American Salesbook com.	..	17	16	16½	16	16½	16
Do pref.	7	87	84	87	85	86	22
Asbestos Corporation com.	6	56	55½	57¾	56	56	305
Do pref.	7	78	76	78	78	78	95
Atlantic Sugar com.	..	25½	25	27	24¼	25	1835
Barcelona Traction	..	6¾	6½	6¾	6¼	6½	520
Bell Telephone	8	110¼	110	110½	110	110*	1009
Brazilian Traction com.	..	49	48⅞	50¼	47¾	49	32916
B. C. Fishing	..	28½	27½	28	28	28	25
British Empire Steel com.	..	12½	12	15⅛	12	12	820
Do first pref.	7	77	75¼	76½	75	75	300
Do second pref.	..	33½	32½	35½	30½	32	1787
Brompton Pulp, com	..	31	30¾	33	30¼	30¾	1525
Burt, F. N. com.	10	119	117	119	118	118	45
Canada Bread com	..	33	32½	34	32	32½	490
Do pref.	7	....	95	97	97	97	10
Canada Car & Foundry com.	..	27½	....	28	27½	27½	10
Do pref.	..	56	....	56½	53½	55¾	75
Canada Cement com.	6	68	67	69	67	67	1138
Do pref.	7	....	93	94	93	94	96
Canada Steamships com	..	21½	20¾	25	20½	21	616
Do pref.	..	51¼	50¾	52	50½	50¾	860
Canadian Converters	7	82½	....	84	82	83	163
Canadian Cottons com.	8	95½	94	98	96	96	45
Do pref.	6	....	84½	85	84	85	141
Can. Woollens com.	..	24	23½	25	24	24	107
Do pref.	7	80	78	80	80	80	10
Canadian General Electric	8	80½	79½	81	79½	80	609
Do pref.	7	....	101	100½	100½	100½	1
Canadian Locomotive com.	8	....	76	76½	74	76½	125
Do pref.	7	....	87	87	83	87	26
Canadian Pacific Railway	10	138	137½	141	137	138	531
Canadian Salt	8	....	90	90	90	90	25
City Dairy com.	10	125	123	124⅞	123	124⅞	50
Consumers Gas	10	152	151	151½	151¼	151¼	9
Detroit United Railway	..	64	63	64½	61	63	1239
Dominion Bridge	4	74	....	75	73¾	74	175
Dominion Canners com.	..	35	33	37½	34½	34½	2210
Do pref.	7	79¾	79	80	79	79⅞	25
Dominion Glass com.	6	68	67	68	67	67½	75
Do pref.	7	....	95	95	95	95	75
Dominion Textile com.	12	....	163½	165	163	163	85
Dominion Iron pref.	7	....	75	76	74½	76	50
Dominion Steel Corp. pref.	6	....	74	75½	75	75	25
Duluth Superior	..	23	22	22¼	19	20	49
Goodyear Tire pref.	..	86	85	85	85	85	5
Howard Smith Paper com.	6	66	....	66½	65	65¼	95
Do pref.	8	92	....	92	91	92	55
Illinois Traction pref.	6	....	79	80	80	80	20
King Edward Hotel com	10	80	80	80	79½	79½	40
Lake of Woods Milling com.	12	167	....	168½	166½	168½	85
Laurentide Paper	6	87	86⅞	87	86½	87	555
Lyall Construction	..	49	48½	50	39	50	1615
Macdonald A., com.	..	13⅞	....	14	14	14	150
Mackay com.	6	98½	98	99¼	94	98¼	6497
Maple Leaf Milling com.	12	125	123	126	123	123	205
Do pref.	7	100	99	100	100	100	106
Mackay pref	4	....	67	68	67	68	74
Monarch Knitting pref.	7	....	80	80	80	80	40
Montreal Cottons com.	6	....	83	83	83	83	110
Do pref.	7	....	102½	102½	102½	102½	10
Montreal Light, Heat com.	5	91¼	90¾	92	91	91	1807
Montreal Trams	10	164	....	163½	163½	163½	90
National Breweries com.	4	54⅛	54	55½	52½	54	3690
N. S. Steel and Coal pref.	8	....	....	90	90	90	35
Ogilvie Flour com.	12	....	250	255	250	255	115
Do pref.	7	....	112	113	113	113	50
Ontario Steel Products com.	..	40	....	40	40	40	5
Ottawa L. H. & Power	6	87	86¾	87	86½	86½	198
Pacific Burt com.	2	56	55	55½	55	55½	117
Do pref.	7	....	88	90	89	89	11
Penmans pref.	6	93	92⅞	93	91½	93	210
Porto Rico Railways com.	..	27	26	27	27	27	10
Price Brothers	2	41	40¾	41	40½	41	353
Provincial Paper pref.	7	87	85¾	87	87	87	10
Quebec Railway	..	27	26½	28	26½	26½	1734
Riordon Pulp com.	..	....	10½	12½	11¾	12½	650
Shawinigan	7	....	105¼	106	105	105½	756
Sherwin Williams com	6	....	71½	69	69	69	2
Do pref.	7	....	94	94	94	94	3
Spanish River Pulp com.	7	....	84	87	85	85	501
Do pref.	7	94	93½	95½	92	94	1852
Steel of Canada com.	7	72¾	72⅝	75¼	72¼	72¾	1432
Do pref.	7	100½	99	99	98¾	99	135
St. Lawrence Flour com.	6	86	83	88	86	87½	270
Toronto Railway	..	71	70½	75⅜	70	70	6440
Tuckett Tobacco com.	4	48	45	44	43½	43½	55
Do pref.	7	90	....	89½	88	89½	80
Twin City com.	..	55½	54½	57	53½	55	2397
Wabasso Cotton	4	79	78½	80	75	78	648
Wayagamack Pulp	..	50	....	52	50	50	240
Winnipeg Electric com	..	40	39½	45½	39	39	1565
Do pref.	7	....	85	86	85	85	369
Woods Mfg com.	8	....	68	70	70	70	60
Do pref.	7	....	....	73	73	73	5
Col. Investment	6	7	....	7	7	7	10
National Trust	12	....	198	198	198	198	19
Toronto General Trusts	12	210	205	210	208	210	18

New Issue

$2,500,000

Stetson, Cutler & Company Limited

7% First Mortgage 20-Year Sinking Fund Gold Bonds, Series "A"

To be dated July 1st, 1922, maturing July 1st, 1942. Principal and semi-annual Interest payable at The Bank of Nova Scotia, Montreal, Toronto, Halifax, St. John, Winnipeg and Vancouver, or at the option of the holder, at the Agency of The Bank of Nova Scotia, New York, N.Y. Interest payable 1st January and July. Coupon Bonds of $1,000 and $500 denominations, with privilege of registration as to Principal only. Redeemable in all or in part on 30 days notice at the option of the Company, at the following prices and accrued interest: at 110 to July 1st, 1925; at 107 thereafter to July 1st, 1927; at 106 thereafter to July 1st, 1929; at 105 thereafter to July 1st, 1931; at 104 thereafter to July 1st, 1933; at 103 thereafter to July 1st, 1935; at 102 thereafter to July 1st, 1937; at 101 thereafter to July 1st, 1939; thereafter until maturity at par. Annual Cumulative Sinking Fund of 2% will commence in 1925. Trustee—The Montreal Trust Company, Montreal.

CAPITALIZATION	To be Authorized	To be Issued
7% First Mortgage Bonds	$6,000,000	$2,500,000*
Common Shares (no par value)	250,000 shares	250,000 shares

* Series "A"

Complete circular, copies of which will be furnished on request, contains a letter from the President of the Company, from which we summarize as follows:—

Stetson, Cutler & Company, Limited, and subsidiaries is one of the largest manufacturers of and dealers in spruce lumber and cedar shingles in Eastern Canada. The business has been in successful operation for over sixty years.

Bonds will be secured by first mortgage and charge on all the fixed assets and properties now owned and hereafter acquired by the Company and on all Bonds, Debentures and Shares now owned and hereafter acquired by it.

Timber Areas—Leasehold timber areas of the Company and subsidiaries in Eastern Quebec and New Brunswick aggregate 2,000,000,000 feet board measure of spruce and cedar logs, over 6,000,000 cords of pulpwood, and in addition thereto a large amount of hardwood. The Company and subsidiaries own 54,000 acres of freehold timber lands in New Brunswick. Substantial areas of privately owned timber lands are controlled by the Company in New Brunswick and Maine.

Annual output—145,000,000 feet long lumber, 75,000,000 laths, 40,000 telegraph and telephone poles, 175,000,000 shingles, 200,000 railroad ties, 75,000 barrels of lime.

The total Net Assets, exclusive of goodwill, including Fixed Assets at the appraisal value and Net Current Assets at certified value, amount to over $10,000,000, or approximately $4,000 for each $1,000 Bond.

Consolidated Net Earnings of Company and subsidiaries, as certified by Price, Waterhouse & Company, for years 1915 to 1920 inclusive, after deduction of Operating and Maintenance expenses, and amounts apportionable to minority shareholders in subsidiary companies, and Depreciation, but before deducting depletion and Government Profits taxes and interest, were as follows:

1915	1916	1917	1918	1919	1920
$447,510	$510,637	$636,783	$555,594	$607,846	$592,015

Interest on Series "A" Bond Issue—$175,000 per annum.

Average Annual Net Earnings for the seven years 1915 to 1921 inclusive, after deduction of Operating and Maintenance expenses and amounts apportionable to minority shareholders in subsidiary companies, and Depreciation, and write-off for Inventory Depreciation in 1921, but before deducting depletion, Government Profits taxes and interest, amounted to $392,139 as against $175,000 of Bond Interest on present issue.

These bonds are offered for delivery when, as and if issued and received by us, subject to the approval of our counsel as to all proceedings.

Price: 98 and accrued interest, to yield about 7.20%

ROYAL SECURITIES CORPORATION
LIMITED
MONTREAL TORONTO HALIFAX ST. JOHN
WINNIPEG VANCOUVER NEW YORK LONDON

HALSEY, STUART & CO.
INCORPORATED
NEW YORK CHICAGO

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The statements contained herein are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Investment Service

The Bond Department of this Bank is in a position to obtain accurate and invaluable information regarding any Canadian or Foreign Securities in which you may contemplate investing.

At all times we deal in Government and Municipal Bonds. 345

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OF CANADA
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CANADA PERMANENT Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT for the current quarter, being at the rate of

TWELVE PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE THIRD DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

GEORGE H. SMITH,
Assistant General Manager.

Toronto, May 25th., 1922.

When selecting a Trust Company as an Executor choose one whose fixed policy is to give

FINANCIAL ASSISTANCE

to Estates being administered by it

PAID UP CAPITAL AND RESERVE $1,212,725

The Imperial Canadian Trust Co.

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BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

COST $110 TO GET $100 REVENUE ON NATIONAL RAILWAY

Government Roads Improving But Still Far Below Cost of Operating

COMPARE C.P. FIGURES

In Pay Roll and Expenses to Revenue—Employes On All Combined Reduced 4,500 During Year

From Our Own Correspondent

MONTREAL.—The detailed report by the Dominion Bureau of Statistics covering the steam railways of Canada for the month of March, continues to show heavy losses in operations of the national roads, even with no allowance for fixed charges. There is, however, an indication of improved conditions which provide, at least some consolation. Improvement must run fairly high, however, to make up for the increases of the past two years in fixed charges. It will be remembered that in 1921 there was considerable improvement in the deficit situation as compared with the year 1920, but that the fixed charges in 1921 wiped out nearly the whole of this betterment.

The "Canadian National Railways" that, is the Canadian Northern System, Intercolonial and National Transcontinental, show an operating ratio of 110.40 per cent. for March. This means that to get $100 of business or gross earnings, the cost of operation was $110, or that the railway was going behind over 10 per cent. of its earnings. This, however, shows an improvement over February when the ratio was 131.05 per cent. and in March, 1921, when the ratio was 124.23 per cent.

G. T. R. Showing Much Better

The Grand Trunk Railway system showed a much better condition with an operating ratio of only 84.22 per cent., as compared with 90.82 per cent. for the month of March, 1921. At the same time this was slightly higher than the ratio of 82.95 for the month of February last.

The present report does not give a separate table for the Intercolonial Railway. This was covered last year as "Canadian Government Railway."

In comparison with the other roads the operating expenses of the Canadian Pacific Railway Co. were 82.29 per cent. against 83.51 in March, 1921.

Revenue Per Ton Mile

On the Canadian National lines, that is excluding the Grand Trunk Railway system, but including the Grand Trunk Pacific and the Canadian Government roads, the average revenue per ton mile decreased from 1.028 cents to .0859 cents, or 16 per cent. In the case of the Grand Trunk Railway the revenue per ton mile was 1.325 cents as compared with 1.385 cents for March, 1921. On the Canadian Pacific Railway the revenue per ton mile decreased from 1.245 cents one year ago to 1.094 cents, or 12 per cent., showing a decrease in all three systems.

On the Canadian National lines the average receipts per passenger per mile dropped from 2.996 to 2.705 cents, the result of a reduction in fares from early last year. On the Grand Trunk the decrease was from 3.211 cents to 2.956 cents, and on the C. P. R. from 3.259 to 2.977.

Pay Roll Down

In connection with the number of employees; on the Canadian National lines the pay roll decreased $1,470,922 or 19 per cent. with a reduction in the number of employees of 6,146 or 10 per cent. In the C. P. R. there was an increase of 5 per cent. in the number of employees but the pay roll, owing to the reduction paid in July, 1921, decreased by $376,836, or over 5 per cent. In the case of the Grand Trunk there was a decrease in employees from 27,795 to 27,161. Taking the figures for all the steam roads in Canada there was a reduction in the year in the number of employees from 142,940 to 138,451, and in the pay roll from 20,095,206 to $17,642,901. On the Canadian National the employees decreased from 56,825 to 50,679, and the pay roll $7,722,734 to $6,251,812.

Average Journeys

Another interesting phase of the comparison between the Government roads and the C. P. R. is that on the Canadian National lines the average journey of a passenger was 51.6 miles one year ago and 48.1 in March last; and on the Grand Trunk 40 miles in March, 1921, and 37.8 in March, 1922; whereas on the C. P. R. with its long western hauls the average journey of a passenger was 67.8 miles (as compared with 77.3 one year ago). From another point of view: in March the number of passengers carried per train mile was 44.4 on the National roads, 52.7 on the Grand Trunk and 50.2 on the C. P. R., the "density" being greater on the Grand Trunk.

Maintenance of way averaged $22 per mile on the Canadian National roads, and $115 on the Canadian Pacific.

The ratio of the pay roll to operating revenues was 66.4 per cent. for the Canadian National, 58.5 for the Grand Trunk, while on the C. P. R. it was only 44.5 per cent.

"BELGO" WILL ADD PAPER MACHINE

Planning Two Machines in Near Future for 160 Additional Tons Newsprint

From Our Own Correspondent

MONTREAL.—In addition to development at Three Rivers the Belgian Industrial Co., formerly the Belgo-Canadian Paper Co., is planning to erect two newsprint machines at Shawinigan Falls. It is planned to install only one machine at the present time and this will be like those for the Laurentide Co., with a capacity of about 80 tons. When the two machines are installed the capacity of the plants will be increased from about 205 tons to about 365 per day. The expenditure involved will be about $1,000,000.

This mill will be supplied with pulpwood that comes down the St. Maurice River, and in the main the mills at Three Rivers depend on the same source of supply. The International Paper Co.'s new mill with 340 tons daily capacity shortly; the Wayagamack Pulp & Paper Co. with kraft paper and sulphate pulp and the St. Maurice Paper Co., with the Laurentide mill farther north at Grand Mere, also on the St. Maurice River.

CANNING EXPERIMENT IN WESTERN CANADA

Manitoba Experiment May Be Followed By Others In Alberta

From Our Own Correspondent.

WINNIPEG.—Upon the successful outcome of Manitoba's first venture in canning factories will chiefly hinge the future of a canning factory industry in Western Canada, though already a movement or discussion is underway in Alberta, The FINANCIAL POST learns.

"It has often been pointed out that with intelligent application of irrigation there would develop a canning industry in Alberta that would supply the western market with food that is now imported from Eastern Canada," says the Lethbridge Herald. "That time will come when our irrigated land farmers take up more extensively the production of vegetables and small fruits."

The enterprise of a new-formed Central Canada Canning Company is getting well under way though it will be of a conservative character and will be started in a comparatively small way. A site for the new plant has been purchased in St. Vital and it is understood to be the intention of the management to can peas and tomatoes this season. A series of meetings has been held among the farmers adjacent to Winnipeg and a good deal of interest in the project has been created but your correspondent understands that the financing has not been fully completed.

So far as the possibilities of developing the canning industry in Alberta are concerned, and indicating that irrigated lands can produce the best type of canning products, is a statement recently made by an Alberta wholesale firm, that a brand of peas produced on irrigated land in Montana is "far ahead of anything that can be got from Canada, being uniform in size and of much better quality." The contention is that size and quality of the peas are due to their maturing evenly and rapidly under irrigation, which is declared not to be the case with peas without irrigation.

"PREMIER" RICH MINE

Another Substantial Dividend is Now Being Predicted

From Our Own Correspondent.

VICTORIA.—The Premier Mine at Portland Canal, northern British Columbia, has already paid two dividends totalling $900,000, but another substantial dividend will be announced in the near future, according to information received by Hon. William Sloan, Minister of Mines, from R. W. Hood, one of the principals in the Premier company.

The Premier Mine is now being managed by the American Smelting & Refining Company, the vice-president of which, H. A. Guess, was recently in Victoria. It is stated that the company is planning further extensions and evidence of this policy is given by the bonding of the Northern Light group of mineral claims.

The Trites-Wood Company, largely responsible for bringing about the Premier Mine's remarkable development, has bonded the Big Missouri claims, formerly held by Sir Donald Mann, which are adjacent to the Premier holdings.

The Dominion Textile Co. has purchased new offices on Victoria Square at 299 St. James Street and is having them re-fitted for its own purposes. The purchase price as registered was $222,750 which gives an average of about $30 a square foot for the property.

Partnership

Ever consider what would happen to your business if your partner died? If you are fortunate you can buy his share from the estate, but if unfortunate by reason of lack of funds, the business is wound up and you begin all over again.

Let us advise you how the latter unpleasant predicament may be avoided.

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To the Holders of the Seven Per Cent. Twenty Year First Mortgage Sinking Fund Gold Coupon Bonds of

AMES HOLDEN TIRE COMPANY LIMITED

Due 1st July, 1939

AMES HOLDEN McCREADY LIMITED has defaulted in the payment of the interest on its First Mortgage Gold Coupon Bonds which became due on the 1st of April, 1922, and has announced that some general scheme of reorganization is necessary in order to provide additional working capital to enable it to continue in operation.

Ames Holden McCready Limited is largely interested in the Ames Holden Tire Company Limited, which has been operated as a subsidiary of the parent Company. The principal and interest of the Bonds of Ames Holden Tire Company Limited are guaranteed by the parent Company. The Tire Company has brought forward a substantial profit for the year ending December 31st last, but its current liabilities are in excess of its current assets. Protective Committees have been formed to represent the different classes of bondholders of each of the Companies interested. The ordinary creditors of each Company will also be represented by Committees.

Although the bonds of the Ames Holden Tire Company are not in default your Company and the parent Company are so closely allied that questions may arise affecting your interests which would make it desirable that some concerted action should be taken by the bondholders of the Tire Company. For this purpose a Bondholders Protective Committee has been organized with the following members.

A. J. NESBITT,
of Nesbitt, Thomson & Co., Limited, Montreal.

GEO. S. BURDEN, of Creak, Cushing & Hodgson. RUSSELL D. BELL, of Greenshields & Co., Montreal.

This Committee is organized for the sole purpose of protecting the interests of the First Mortgage Bonds deposited under its control. It is earnestly recommended that you deposit your bonds with this Committee by sending them in at once with the July 1st, 1922, and all subsequent coupons attached, to The Eastern Trust Company at its office in Montreal, Depositary under the agreement.

Registered bonds must be accompanied by instruments of transfer executed in blank. Transferable certificates of deposit will in every case be issued against the deposit of bonds. Bonds will be received for deposit up to and including the 20th of June, 1922.

Copies of the Bondholders Protective Committee Deposit Agreement under the terms and conditions of which the Twenty-Year First Mortgage Gold Bonds of Ames Holden Tire Company, Limited, will be deposited have been lodged with the Depositary, and one or more copies of the same will be delivered to any holder on demand.

Montreal, April 27th, 1922.

On behalf of the Committee.

STANLEY MacPHERSON,
Secretary.

Secretary's Address:
804 Bank of Toronto Building,
St. James Street, Montreal.

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Clifton Porcupine

THIS property is now practically certain to be Porcupine's next gold producer. Construction work is already under way on the milling plant which will be used to treat the high-grade ore now in sight.

The equipment for this plant has been ordered, and it is expected to be in operation by September.

Substantial profits appear certain to the purchaser of the present issue of Treasury shares. A limited number are still available at 30c per share.

Write for details of our unusual "Money-Back" offering of this stock.

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A small association of manufacturers desire a general manager to handle their common affairs; promote their interests, and carry on propaganda. He must be capable, with a good record, command respect of the important interests with whom he will come in contact. Good education, newspaper, legal and business experience would be an advantage but not essential. State experience and present salary.
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WINNIPEG AFTER "POUND OF FLESH" FROM RAILWAY

But Public Ownership Would Not Likely Be Favored

PROCRASTINATION

Much Valuable Time Being Wasted in Political Manoeuvring of Alderman—Improvements Suspended

From Our Own Correspondent

WINNIPEG.—The city appears determined for its "pound of flesh," before consenting to an extension of the Winnipeg Electric Railway franchise for ten years to 1937. But developments make it clearer that the City Council is unlikely to commit itself to public ownership at this time of economic retrenchment. "If such a proposal were put to the people it would be overwhelmingly defeated," said a prominent business man to THE FINANCIAL POST.

The pourparlers between the city and the company reveal that there are those who would hold up public ownership as the bogey of the privately controlled enterprise. But Edward Anderson, K. C., for the company seems confident of the probable civic vote. He told Alderman Fowler, chairman of the sub-committee on street railway negotiations, that he did not believe the ratepayers would sanction the city embarking upon a $15,000,000 undertaking so long as the street railway service was maintained. "Under what circumstances would the city be justified in spending $15,000,000, when the city now has a good traction service and can be assured of a good service for another 15 years?" asks Mr. Anderson. "I know the opposite opinion is held by people committed to the view of public ownership, but I submit that the other view appeals to the majority in the community—the view that the city would not be justified in spending funds in providing for public services if private control will provide them at reasonable rates and give good service."

City After "Bargain"

The latest get-together of the city's committee and the street railway representatives discloses the city's attempt to "bargain." In other words, the aldermen appear to be trying to find out if the company will pay a higher price than the extensions and betterments promised if the ten year franchise extension is granted. "The committee feels it must have something of a different character, something stronger to place before council before it could agree to recommend to council to substitute the year 1937 for 1927 as the expiration date of the franchise," to quote Alderman Douglas.

Questioned, Vice-president McLimont said that, provided the company succeeded in its contemplated financing, following a franchise extension, he felt sure the city could be satisfied that the money would be used for its promised purposes. "If we don't get the money," added Mr. Anderson, "we won't be able to make our payments to the city and we won't be able to make the extensions."

Typical Cross-Firing

The following discussion is significant of the trend of the negotiations:

Alderman Sparling: "When the franchise was first created the company, in order to get a ten year extension gave the city 5 per cent. per annum of its gross earnings."

Mr. McLimont: "You don't suggest that this percentage should be increased? It would only be taking it out of the pockets of the citizens."

Alderman Sparling: "As to the physical value of the street railway there is a difference in our valuations. You put it at $15,000,000, while our valuation is between $9,000,000 and $10,000,000."

Mr. McLimont: "It would cost you $15,000,000 before the plant could become the property of the city and in operation by the city."

Alderman Fowler: "I don't get that."

Mr. McLimont: "Don't you think it would be necessary to separate the street railway from our light and power utilities? They are all tied together in one organization."

Alderman Fowler: "And that would cost four or five million dollars?"

Mr. McLimont: "Where have you the 25,000 horse power to run the street railway?"

Alderman Sparling: "We have the power."

Mr. McLimont: "Yes, but have you paid for it. We have six or seven sub-stations all over the city in which our traction, light and power utilities are inextricably tied up. To dissociate them is an engineering problem which would entail a lot of expense."

Time Being Wasted

Meanwhile the month of June has progressed. Vice-president McLimont's franchise request was presented early in April. Mr. McLimont made it clear in his application that immediate action would be necessary; otherwise the company would be compelled to postpone for at least twelve months the carrying out of its plans.

The company cannot follow its broad programme of extensions and betterments until it is in a position to finance. The current issue of the company's Public Service Bulletin announces however, that $75,000 is being spent on the one important extension now underway.

Investment Stories From Real Life

Some Maxims for Those Who Would Invest in Real Estate From One Who Has Been Successful in the Game

One hundred years ago a pioneer settler bartered a load of hay for a piece of land in the City of Toronto. To-day that piece of land is the site of three sky scrapers, two of them the tallest in the British Empire and the market price of a piece of that land large enough to hold a peanut stand would build a palatial residence.

Fortunes have been made in real estate. Witness the case of a Canadian judge, whom most people have never heard of, who died leaving an estate of three and a half millions, chiefly built up through real estate and mortgage investments. Fortunes have also been lost. Vast acreages of farm lands with enticing sub-divisional names in Western Canada attest to this.

Jacob Noble's case falls among the former classification. Sitting in his dingy little office on the top floor of a big downtown office in the city of Macdonald, he can tell you how he made a million dollars out of real estate. He has been one of the successes in this difficult field of investment—for it is difficult although it is the oldest and the most basic of all fields of investing.

Macdonald City was a struggling village 65 years ago when Jacob Noble came out from Ireland and took a job as bookkeeper. His wages were meagre but his living expenses small. Inside of two years he had over $600 saved up. Looking around the city he came upon a house, not in the best of repair but quite well located. He bargained with the proprietor and bought it, paying $675. He spent his evenings for a couple of months repairing the house and spent another $100 on it. He then rented it for a while and in two years had disposed of it for $1,200. From that moment he became a real estate operator in a small way. His $1,200 went back in another house, which was improved, held for awhile and resold at a handsome profit.

Five years after his first deal Jacob was approached by one of his friends to buy a piece of vacant property on one of the busiest business thoroughfares. The street was rapidly developing into the chief retail shopping street in Macdonald.

"Why you'll double your money in two years," stated the enthusiastic friend.

The price was pretty stiff, over $6,000 and Noble had only half of that available. But he himself could see the possibilities in Monarch street and he borrowed money wherever he could and bought the Monarch street lots. He hoped to turn them over at a profit in a couple of years but after holding them that long he failed to find a purchaser. A strange thing happened. Monarch street had grown and was the site of Macondald's business stores but truth to tell the big stores were all on one side of the street. Property on the other side of the street was worth only half as much.

But Jacob Noble went back to work again and saved, being more careful this time and in the future was successful with his real estate investments. Not for ten years did he make another unsuccessful purchase. The city started to grow very rapidly. There was no doubt that in another five years the population would increase 25 per cent. or more. Noble knew what the result would be. Property on the outskirts, now vacant would be built upon and would increase in value. He went out to the suburbs and bought up a hundred acres of farm land, preparing to hold it. He did hold it but he never again attempted a long distance speculation. By the time the last of his subdivided lots were disposed of he was a loser on the deal. Interest and taxes had eaten up his profits. Thus it was he learned his second lesson; never to buy vacant land, except for a quick turnover, two years at the most being the limit such property can profitably be held except in most abnormal circumstances.

Noble has applied this rule to most of his income-bearing properties as well, except where the rental returns have been satisfactory. He is for instance still holding property that he bought at $100 a foot fifty years ago and for which he has refused $3,000 a foot. But the rent from the stores on this land is sufficient to pay the carrying charges on even $3,000 a foot and leave a profit in addition.

When the Manitoba boom came in 1892, Noble was attracted by the stories he heard of fabulous profits in land in Winnipeg, Portage la Prairie and other western places. He had not time to go West for a visit but he invested in some lands out there that he had heard commended. But he lost every cent, the properties eventually being taken over for taxes. And Jacob Noble formulated a third rule for real estate investment, "Never to invest in property he could not see himself."

His are three good rules for the man who would make money out of real estate.

"Always buy on the right side of the street."

"Buy only for quick turnover if you want to make a profit."

"Don't buy property that you cannot see and manage yourself."

Noble holds too $40,000 or $50,000 of municipal bonds. These are his liquid reserve for use in times of need. He says: "It is not hard for the man who will be careful and sound in judgment and who will study values to make money out of real estate. Properly invested money doubles itself every 11 years."

Good Year for Mutual Life of Australia

The annual report of the Mutual Life and Citizens Assurance Company, Limited, an Australian company doing business in Canada, showed that 11,105 new policies were issued during 1921 in the ordinary branch assuring the sum of £3,093,895 of which £67,969 was reassured. This volume of new business was greater than in the previous year although the number of policies issued was somewhat less.

The assets grew during the year from £16,423,702 to £16,605,935 and interest earned on funds was at the rate of £4 17s 8d per cent., an excellent rate in view of the fact that 83 per cent. of the assets are in public securities. The reserves made to meet the policy liabilities in the ordinary branch continue to be based on the assumption that only 3 per cent. interest will be earned on the funds. On the assumption that the earnings will be 4 per cent. the surplus would be greater by about £1,000,000. During the year the amounts paid and credited to policyholders were in excess of £1,000,000 while cash bonuses to be distributed to shareholders amount to £367,616.

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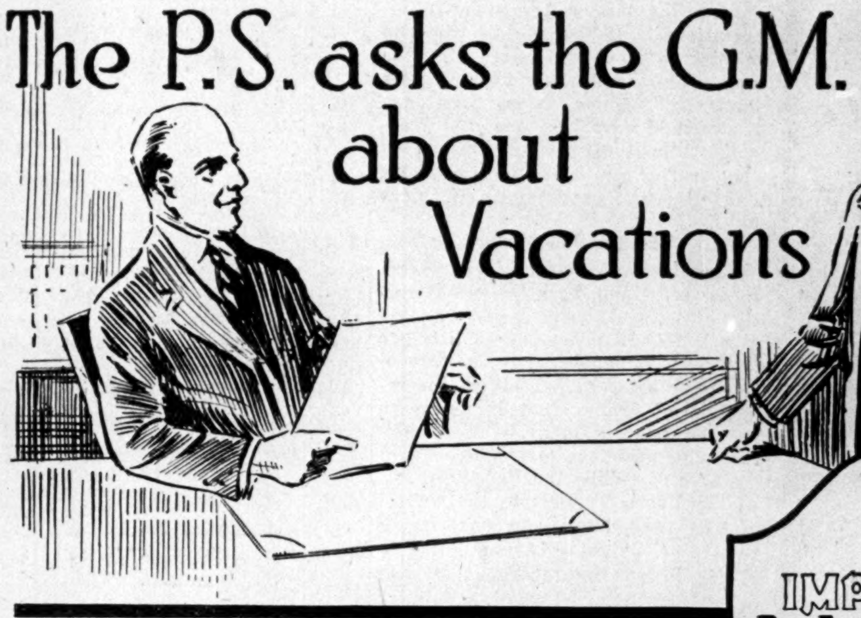
The P.S. asks the G.M. about Vacations



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June 13, 1922.

The Board of Directors have this day declared a dividend of 12½c. per share on the capital stock of the Company, payable July 15th, 1922, to stockholders of record at the close of business on July 1st, 1922. Books will not close.

E. H. WESTLAKE, Treasurer.

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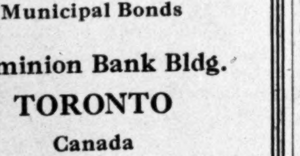

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MONEY, BANKING AND EXCHANGES

THE INTER-ALLIED DEBTS FACTOR IN EXCHANGE RATES

Must Co-operate With Russia to Reduce Menace of Red Army

By Fred I. Kent, Vice-President Bankers Trust Co, New York

Under normal conditions in countries with a gold standard of exchange seasonable variations of trade are offset through shipments back and forth of gold. The fluctuations of exchange are then limited by the gold points and the interest rates in the countries concerned. When the gold resources of one such nation are exhausted and its people continue to require more of the people of another nation than they can give in goods, services and promises to pay, its exchange will depreciate. As this occurs and while exchange continues to accumulate against the country, there are going to be bills of exchange upon it offered in the market in greater or less amounts from day to day that are not required for any present purpose. While necessity exists in the importing country purchasing power parities of commodities canont control the fluctuating rates to any appreciable degree. Such fluctuations then become primarily dependent upon the opinions of those who have money to invest as exercised through the purchase of surplus exchange being created at the rates that they think will later bring them profit.

What Prevents Stabilization

There are three principal factors which have worked together since the armistice to prevent the stabilization of foreign exchanges around the gold points:

1 Unequal trade between nations.

(a) Induced by the destruction of war.

(b) Through the raising of barriers between the nations by their governments represented by tariffs, embargoes, etc.

2 Inflation.

3 Uncontrolled governmental expenditures exceeding income from all sources.

The trade of nations must combine exports and imports with a fair balancing in exchange values of the combination of trade services and exchange of securities over comparatively short periods of time.

Re-establishment of Trade

The only way that world trade can be re-established under such circumstances lies in the development of the power to produce in those nations requiring the largest proportional importations. If the world's war had not left other huge scars in the means and methods under which humanity carries on its existence, trade could have been restored gradually without extended suffering, but the destruction of things economic had been just as great as of things physical.

The Russian Menace

The Russian menace is a larger factor in holding back the reconstruction of the world than is generally realized. Until peace is established in Europe that can be expected to continue for an extended period, the reduction of armies that is necessary for the restoration of livable conditions in European countries cannot be effected. While the Red Army exists in Russia, subject to the control of those who admittedly have no interest in the rights of others either as to life, liberty or property, there can be no satisfactory European military disarmament. Until there is such disarmament, production will be curtailed and the non-producing soldiers will have to be paid in printed currency thus continuing a double tax on the people. Again, until Russia is able to do its part in the production necessary to care for its people and to enable them to exchange surplus goods with other peoples, the lives of the masses of Europe must continue to be those of mere existence. While the present government without principle continues to exist in Russia there is no hope for the resumption of the production of the Russian people to capacity, and they will either starve to death or be a continued drain upon the resources of other countries.

Inter-Allied Indebtedness

The Inter-Allied indebtedness has not as yet had any actual effect on the exchanges unless it has acted as a deterrent on foreign investment in or through the purchase of exchange. There is no doubt, however, but that such indebtedness has sub-consciously weighed upon the people of many nations and has retarded the development of economic hope. If all such debts could be legitimately cancelled, it would help greatly in the restoration of trade. On the other hand, if they were cancelled in such a manner as to cause lack of confidence in the integrity of governmental obligations, it would be so disastrous to the morale of the world that it would be far better that every one of the debts be paid to the last cent.

To sum up and put the matter another way, the factors that will help the exchange provided they are worked out intelligently are as follows:

Co-operation with Russia along lines aimed to reduce the menace of the Red Army.

Eliminate the menace of vicious propaganda of its present rulers.

Obtain recognition of the rights of the Russian people to have a free press, a free expansion of opinion, free elections of government officers and definite property rights.

A quick settlement of the German reparations with terms of payment compatible with existing conditions even though they recognize, as they should do, that Germany should pay a real penalty.

Inter-Allied Indebtedness

A cancellation after agreements as to co-operation of some percentage of the Inter-Allied loans that can be fairly estimated to represent a direct and legitimate war charge to the nations taking part in the cancellation.

Reduction of governmental waste.

Stoppage of inflation caused by the issuance of new currency and increase in floating loans.

The removal of trade barriers by means of special commercial treaties and agreements between nations.

Greater co-operation between capital and labor so as to allow for the increase of production as rapidly as concurrent developing conditions enable its absorption.

A better world morale working toward the elimination of class and national hatreds and the increase of integrity and square dealing.

EIGHT BRANCHES OPENED IN MONTH

And Eleven Bank Offices Were Closed During May

The Canadian chartered banks during the month of May opened eight new branches in various parts of the Dominion, and for the same period closed eleven branches. Six of the new branches opened are situated in the Province of Quebec, one in Ontario and one in Cuba. Of the eleven branches closed three were by the Royal, two each by the Hochelaga, Nationale and Provinciale, and one each by the Commerce and the Imperial. Following is a list of the branches opened and closed:

Opened

Hochelaga—Ahuntsic; St. Come; Maddington Falls, Que.

Provinciale—St. Julien de Wolfstown; Pont Viau, Que.

Royal—Niagara Falls Centre, Clifton House (sub-branch); Encrucijada, Cuba.

Union—Montreal, Sherbrooke St. W., and Hampton ave.

Closed

Commerce—Morse, Sask.

Hochelaga—St. Vincent, Alta.; Cold Lake, Alta.

Imperial—Benalto, sub. to Sylvan Lake, Alta.

Nationale—Lac-Frontiere; Daaquam, Que.

Provinciale—Riviere des Prairies; St. Moise Village, Que.

Royal—Halifax, North and Windsor; Peachland, B.C.; Maximo Gomez, Cuba.

During the five months ending with May the banks opened 31 new branches and closed 75. The following summary shows the number of branches opened and closed during the past five months:

	Opened	Closed
January	11	15
February	4	10
March	6	13
April	2	26
May	8	11
	31	75

EXCHANGE IS ALL READY

Little Change in Quotations on New York Funds

The fluctuations in the quotations on New York funds have been within narrow range during the week, that range being from 15-16ths to 13-16ths. On this basis international trade is proceeding without handicap.

Final decision of the bankers committee in Paris to abandon plans for a loan to Germany for the present was responsible for the depressed tone of the foreign exchanges at the opening. Marks reacted $.0001⅜ to $.0033½, and francs, lire and Belgian francs were similarly affected although not in the same degree. Demand sterling opened at $4.49½, off $.001-16; francs $.0906, off $.0002½; lire $.0514, off $.0001½; Belgian francs $.0839 off $.0003½.

NEW YORK FUNDS

June 7—Funds opened at ⅞, closing at same rate.

June 8—Opened at 29-32, ranging to 15-16 and closing at 29-32.

June 9—Opened at 29-32 and closing at same.

June 10—Opened unchanged, closing at ⅞.

June 12—Unchanged from previous close.

June 13—Funds opened at 13-16, closed at ⅞.

June 14—Opened at ⅞, closing at same rate.

STERLING AND FRANCS

	Demand	Cables	Demand	Cables
June 7	$4.50 3-16	$4.50 15-16	10.96	10.98
June 8	4.49 11-16	4.50 7-16	10.97	10.99
June 9	4.49¾	4.50⅛	11.5	11.7
June 10	4.49⅝	4.50⅜	....	....
June 12	4.48⅝	4.49⅜	11.19½	11.21½
June 13	4.46½	4.47¼	11.29	11.31
June 14	4.47¼	4.48	11.35	11.37

AMERICAN BANKS ARE TO PUBLISH DEBIT FIGURES

Regarded as Better Guide To Business Than Clearings

Discussion as to the value of bank clearings as a barometer of business continues in financial publications and the Executive of the Clearing House Division of the American Bankers' Association has decided to publish the debts to individual accounts in addition to the clearings. On this page it has several times been emphasized that clearing figures must be very carefully analyzed if they are not to prove misleading. The following comment is from the Index published by the New York Trust Company—J.W.T.

The question of the relative value of statistics on Bank Clearings and Debits to Individual Accounts appears to have been compromised by the action of the Executive Committee of the Clearing House Section of the American Bankers Association in deciding that clearings, as well as debits, will be given out for publication.

The conviction is growing that debits to individual accounts give a more definite measure than clearings of the volume of business transacted, but for judgment of economic trends available debit figures are not yet as satisfactory as bank clearings for the reason that they have been compiled for only approximately three years, and do not afford the same basis of comparison.

Bank clearings are a record of the interchange of checks between banks in specified clearing house districts. They are a record of all checks drawn which are not presented for payment at the bank on which they are drawn. It is on this point that the principal objections have been raised for it is clear that in the case of a merger, where checks between two institutions had formerly entered the clearings figures they would thereafter be represented only by a shifting of balances within the combined institution.

This would be an important objection if the purpose of clearings was to measure the relative business activity of competitive cities, for it is obvious that an important merger would reduce the clearings of a given city materially.

The chief purpose of clearings returns, however, is rather to measure the trend of business throughout the country as a whole and to compare the present with the past as a basis for forecasting the future. The total clearings are so large that returns from individual banks are negligible in their effect on the total, and mergers may therefore be disregarded in this connection. This is an important function and there seems to be no good reason why the clearings figures which must be compiled in the regular work of the clearing house should not be published.

Bank debits, as distinguished from clearings, are reported to the Federal reserve banks. Debits to individual accounts represent charges to accounts of depositors other than banks and include debits to accounts of the United States Government including War Loan deposit accounts, as well as debits to savings accounts, payments from trust accounts and certificates of deposits paid. These returns give a measure of the total volume of business transacted by checks. Compilation of the debit figures is undoubtedly of value and in time these figures will be used in many places where clearings are now the more satisfactory, but the merits of the debit record can hardly be used as an excuse for abandoning the publication of clearings figures.

MONTREAL

S. D. Whaley, manager of the Tamworth branch of the Bank of Montreal, has been appointed manager of the branch at Cainsville.

R. W. Guess, manager of the Renfrew branch, has been promoted to the superintendent's department, Toronto.

Weekly Bank Clearings

(In comparison with same week last year)

EASTERN CITIES

	June 8, 1922.	Change.	%
Toronto	$102,521,193	+113,733,284	15.4
Montreal	96,473,122	—12,282,610	11.2
Ottawa	9,410,465	—399,412	4.0
Quebec	6,517,136	+35,729	.5
Hamilton	6,246,292	+320,587	5.4
London	4,266,584	+205,204	5.0
Halifax	3,965,376	+460,690	13.1
St. John	2,822,885	+99,317	3.4
Windsor	3,110,350	+60,210	1.9
Kitchener	1,474,685	+242,043	19.6
Brantford	1,240,831	+125,069	11.2
Moncton	1,124,920	—29,645	2.5
Sherbrooke	980,085	—151,252	13.3
Peterboro'	769,106	—181,149	19.0
Kingston	745,138	—106,457	12.5
Total East	$241,668,168	+$ 2,131,608	.8

WESTERN CITIES

	June 8, 1922.	Change	%.
Winnipeg	$ 39,522,068	—$13,159,264	24.2
Vancouver	14,445,986	+1,412,841	10.8
Edmonton	5,150,496	+440,799	9.3
Calgary	4,628,163	—2,306,163	33.2
Regina	3,090,256	—1,154,347	27.1
Victoria	2,332,253	+150,241	6.8
Moose Jaw	1,126,767	—261,615	18.8
Ft. William	853,267	+58,992	7.3
N. Westminster	589,865	—117,287	16.5
Brandon	589,397	—134,665	18.5
Lethbridge	494,387	—154,487	23.8
Medicine Hat	354,162	—102,733	22.5
Total West	$ 73,177,067	—$15,327,688	17.3
Grand Total	$314,845,235	—$13,196,080	4.0
Prince Albert	368,998		
Yr. to date	$5,710,231,770	—$527,647,456	8.4

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THE DOMINION BANK

Notice is hereby given that a Dividend of Three Per Cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the third day of July, 1922, to shareholders of record of the 20th June, 1922.

By Order of the Board,

C. A. BOGERT,
Toronto, 19th May, 1922. General Manager.

Seeing Myself As Mr. Banker Saw Me

By LELIA M. TINSLEY.

The other day I needed a certain sum of money and I needed it badly; I needed it for purely legitimate purposes; but what was more, I wanted a larger sum and I wanted it very much; I wanted it to aid me in gratifying a genuine and upright ambition which I had cherished for several years.

So I left my office for a call on my banker

Now I did not know my banker very well. I had met him only once or twice, and for a moment or so only on each occasion. However, this meager acquaintance had led me to beleive that he was reasonably approachable. I had no hope that he would recall ever having met me. As a depositor I was devoid of any qualifications which I supposed quickened the recognition of a banker for a depositor. My account was small, very small; my industry among the humblest, if not the despised; and my business sagacity and acumen not impressive; in fact, the impressiveness of such qualities was arrived at through their absence.

As I entered the bank and caught sight of myself in the glass panel of the vestibule door, I felt as vague and as indefinite as a business woman as my reflection of my 120 pounds of avoirdupois appeared to me from these beveled panes.

My self-esteem in no wise increased as I approached his desk. He was listening attentively to the proposition of an apparently successful depositor; others were ahead of me, so I had to wait. But I did not spend the time in any idle or impatient state of mind. My environment quickly grew interesting. I heard a call from the telephone answered with the kindly message, "No, I don't believe the bank would care to loan $35,000 on that sort of a proposition." Thirty-five thousand dollars! I breathed a breath of relief. Would $35,000 loaned to one individual have left anything for me?

Before the stream ahead of me had flowed out, another had flowed in from behind me, some of whom had plans, while others had brought problems; I couldn't distinguish the difference in their faces. I had both a plan and a problem, and looked about for a mirror, but met with a disappointment which gave me pleasure.

As I contemplated the stream of increasing volume I began to wonder where the money came from with which to make so many loans. The receiving teller's cage was at my back so for the moment I had lost sight of his popularity.

Finally my time came. I was received in friendly spirit and greeted by my name, but I didn't waste his time by telling him that I was surprised that he remembered me. I simply started in to lay my need, my ambition, and—as I thought—my collateral before him. He listened attentively and without interrupting until I had said all that I had come to say, which was really a very few words, considering my sex.

As I concluded he looked at the collateral without touching it, and then he looked at me from a pair of frank-speaking eyes, and said: "Now, I believe that you are mistaking the purposes of the bank—a bank exists for thrifty people only—its aim is to promote and stimulate thrift in its depositors, for when depositors thrive then banks thrive, and when depositors plunge their money into speculations a bank must plunge its holdings into its vaults for safekeeping and thereby forfeit all earning power. Now it's your needs which interest me—not your ambition or your collateral. If I take care of your needs your sense of thrift ought to look out for your ambition."

Without another word he reached for a statement sheet and a blank note. He drew up the note for the amount of my need, and as he passed it on to me for my signature he said: "Keep your collateral—I don't want it. I am making this loan on what you have accomplished and my faith in your sense of thrift and your honesty—not on your collateral."

When I record that moment as an epoch-marking moment in my business and spiritual career, I exaggerate not one jot nor one title. In the twinkle of an eye he had utterly demolished certain convictions which, as I realize, had been built up not on a foundation of fact, but on the falsities of my judgment, aided by the theories of a host of economists and reformers. He told me in one short sentence more truth about a bank than all the volumes and tomes and theses which mankind has inherited from the loquacious family of the reformer. What was more, in o simple and single act he had proved it—"a bank exists for thrifty people."

I suddenly grew aware that I was face to face with a man who knew the business side of me better than I knew it myself; he saw my need and knew how to take care of it; he saw my ambition and knew the best course for it to pursue without visiting discouragement or defeat upon me. He did not pamper it or take chances with it or in any wise gamble with its possibilities. He simply encouraged it through his confidence in me and my ultimate victory. Without a word he conveyed to me the measure he had taken of me—honest, but not sagacious; industrious, but not always judicious; still, with mettle enough to rise from every fall and to profit by the experience. He read my statement as if he were reading the story of my little industry's life, and somehow he caught sight of the fact that I loved it; that I had suffered for it; that it had grown to be a sort of act of worship with me even though it usually rested upon my physical being as a heavy cross.

He showed faith in my frankness, honesty and loyalty. Elementally it was a tribute to me as a depositor and as a citizen.

INVESTING MONEY WISELY

Sherbrooke Record

Statistics show that the many millions of dollars invested each year in worthless securities come largely from the small investors, persons who are least able to lose their earnings to fraudulent concerns. There is constant need of warning to the uninitiated in investments.

The best advice any person can follow when he has been asked to invest in something of which he has little or no knowledge is to take the proposition to a banker or responsible business man, who will be able to advise promptly as to the probable value of the investment.

The banker may advise that the money be left in the bank rather than put into something which, the solicitor assures, will yield a large income, but which may be worthless, and the business man may suggest investment in some well-known stock which he is able to bond, but in either case the savings of the individual would have some assurance of safety.

There probably never was a time when the salesmen for bogus or practically worthless stocks were so busy as at present. The upward tendency of the times will make them more than ever active to get money which went into hiding in the banks or the homes during the period of depression.

The first inquiry of the person with a little money should be not how much it will yield, on paper, but how safe will the investment be. The person who succumbs to the promise of dividend returns out of keeping with good business principles should ask the court for a guardian. He is not safe to be trusted with money.

NEWS AND VIEWS FOR MANAGERS

WOULD YOU PREFER A COUNTRY BRANCH OR PLACE IN CITY?

Here is a Discussion in Which You Will Be Interested

In the country bank branches you will hear members of the staff frequently expressing a yearning to go to the city—the city of events and opportunity. In the city branches you will hear among the older members of the staff particularly the lament of those who regret that they had not gone out to the branches where a managership means an established place in the community and a comfortable life at more reasonable cost. In the following article A. B. Barker, manager of the Toronto Clearing House and a branch manager of many years, discusses some of the points which may be considered in weighing the advantages of town and city. There are no doubt many others. The views of junior and senior men in both fields would no doubt add to a very interesting discussion. Let's have your opinions—your confidence will be respected.—J. W. T.

From time to time in banking as in other lines of business there comes up the question as to the relative merits of town or country work. Each has its advocates, but it is usually the younger unmarried men who clamour for the city on account of the presumably greater chances of advancement there. Some actually have refused promotion if it has meant leaving the city. The present head of one of the big banks is said to have done this when a young man in Hamilton and the position of manager in Dundas was offered to him. He did not want to go where he might have been forgotten. As a rule banks are not believed to look too kindly on a man who interferes with plans for moves in this way, but no doubt the gentleman referred to had already given evidence of that talent for organization for which he is noted, and which would have been wasted outside of a large office. As to whether a man in a bank will do best in city or country will depend very largely on the man, assuming of course that there is an adequate field of endeavor. It is largely a matter of temperament. There are men struggling in a city who would make a success in a town, or village, and vice versa.

In the ordinary struggle of business the handicap of temperament is very real, and the fortunate man is the one who finds out early from experience what his metier is. One business man discussing the matter of location for a young man first starting out in business for himself, expressed the opinion that before deciding on any particular locality, he should fist see whether or not he "fitted" the place. Hard work and ability will undoubtedly see a man through much, but it is also true that a man will do better work when his surroundings are congenial.

Small Town Advantages

In banking it is generally said that in the smaller branches the young clerk gets a more advantageous training and that his work is more varied, but that in the large city branch, while his view is more restricted, he learns to concentrate and speed up his work. There is, however, another advantage in a term of service in the country branch as a junior ofifcer, particularly the city-bred youth. In the small town or village he absorbs, he does not learn, something of the country viewpoint which will be of great advantage later. If a man gets his first country branch experience as a manager he misses this, and is apt to flounder badly at first. Some men never can get this viewpoint.

Business principles are the same everywhere, but there is considerable difference in the methods of applying them. In the country one knows his customers and their circumstances personally and can judge from his own local knowledge their chances of success. In the city this is impossible and the banker must rely more on evidence obtained from statements and corroborated by analysis. He depends on organization to get the facts on which to base his judgment. Strange to say the man with the country training has less trouble "fitting in" with city business in banking than his city cousin with country branch business, unless the latter has had a country experience, the transition from the personal basis to the impersonal being much easier than from the latter to the former. This may explain the greater adaptability of the country trained banker who also has this advantage when he goes to the city that he has the organization to fall back on, while the man in the smaller branch is alone.

Outside The Office

Outside the office life in the smaller places has many advantages over the city, it is usually far less expensive. One can spend money in one place as well as in the other, but in the city one gets less for it. True there may be more going on in the city, but to the man on moderate salary this usually means a larger choice of places he would like to go to but cannot afford.

In making comparison between country and city, however, it must not be forgotten that the more leisurely life in the smaller community gives more time for the full development of those personal quarrels, which frequently have their beginning in some trivial affair which would not be noticed in a busy community but assumes an absurd importance when the parties have time to think over it.

Questions and Answers

By A. B. Barker,
Manager Toronto Clearing House

Q. Who may call a general meeting of the shareholders of a bank?

A. A special general meeting may be called at any time by the directors of the bank or any four of them or any number not less than twenty-five of the shareholders acting by themselves or by their proxies who are together proprietors of at least one-tenth of the paid up capital of the bank. Six weeks notice must be given of this meeting specifying therein the object. The meeting to be held at the usual place of meeting of the shareholders.

Removal of Director

Q. Can a director of a bank be removed by the shareholders before his term has expired?

A. Yes, for mal-administration, or other specified and apparently just cause, if a majority of the shareholders at the meeting vote for such a removal.

Term of Proxy

Q. For how long is a proxy good without renewal?

A. No appointment of a proxy to vote at any meeting of the shareholders of the bank is valid unless it has been made or renewed in writing within one year last preceding the time of such meeting.

Q. A shareholder gives a proxy to a friend. Besides the proxy what must the friend possess in order to legally vote?

A. He must be a shareholder, as no person other than a shareholder eligible to vote may be permitted to vote or act as proxy.

Reducing Bank Capital

Q. Discuss the provisions of the Act relating to the reduction of capital of a bank.

A. The capital stock of the bank may be reduced by a by-law passed by the shareholders at the annual general meeting or at a special general meeting called for the purpose, but the by-law cannot come into effect unless a certificate approving is issued by the Treasury Board. This certificate will not be issued unless application is made within three months of the passing of the by-law and it must be apparent to the board that it has been approved by the shareholders representing the majority of the bank's stock and there must also be a statutory publication of the intention to apply published in the Canada Gazette. There must also be furnished the board a statement of the assets and liabilities of the bank, a statement of the amount of stock issued, the number of shareholders at the meeting with the amount of shares held by each, and a statement of the reason and causes why the reduction is sought.

Any reduction in capital stock does not in any way diminish or interfere with the liability of the shareholders of a bank to the creditors at the time of the issue of the certificate. Also a copy of the by-law together with statements similar to those required to be laid before the Treasury Board must be filed with the Minister of Finance at least a month prior to the introduction into Parliament of the bill relating to such reduction and the capital may not be reduced below $250,000.

RETAILERS WANT LIENS REGISTERED

From Our Own Correspondent

REGINA.—Existing legislation which permits banks operating in the province to take liens on crops for advances, without being required to register the liens, is alleged by retail merchants to be a serious menace to their business.

By the privilege so ganted the banks, merchants are debarred from ascertaining the true credit position of those applying to them for "time-advances" of goods and frequently find their debtors unable to pay at the end of the season—the banks' advances, as defined in the Bank Act, constituting a prior lien.

As a consequence of this alleged injustice, Saskatchewan retail merchants are making formal application to the Federal Government for amendment to the Bank Act, requiring banks to register liens issued in respect to advances on crops.

BRANCH BANKING IS SPREADING IN UNITED STATES

Surprising Growth of the Idea is Indicated in California

Significant of the trend of American banking is the continued progress toward the more general adoption in all states of the branch system. The amazing growth of branch banks in Los Angeles has become a matter of such import that the Federal Reserve Board of Washington, D. C., has sent out two of its members to make a study of the system there. It will be recalled that the Bank of Italy which is foremost in the extension of its branch system throughout California last year sent one of its executive officers to Canada to study banking practice here under the branch scheme.

Dr. A. C. Miller and John R. Mitchell who are in Los Angeles as missionaries of the Federal Reserve Board, according to a Los Angeles publication in "terms of astonishment discussed the numerous brood of branch banks." Dr. Miller is quoted as follows:—"According to my observations what is most interesting and significant in our financial life is the growth of the branch banks in California, and particularly in this city. This came silently. Unproclaimed and almost with an aspect of mystery. Opinions as to the value of this feature differ among banks. You have created a situation of interest to the entire country. So great are the possibilities of this new departure that it would not surprise me if in twenty years or even in ten, branch banks were to be found spread over the state and the nation itself."

Jonathan S. Dodge, California State Superintendent of Banks vigorously endorses the branch system as "the best friend of the country shipper" and urges the policy of extending its benefits to the national banks as well as the state banks. Mr. Dodge's predecessor, W. R. Williams, at one time California state bank superintendent once ventured the opinion "that the time will finally arrive when branch banking will come into its own in the United States."

State vs National Problem

Canadian bankers will regard it as an ironical coincidence that the Federal Reserve Board or Washington Board should have begun its branch bank investigation in California. It was at last year's convention of the American Bankers' Association, held in the City of Los Angeles that, as the climax of a bitter controversy, the national and state banking divisions failed to agree on a concerted policy of branch banking. The contention arises among American bankers because in certain states where branch banking is permitted or at least not forbidden it is the exclusive privilege of the state bankers. The national bankers in these states are now asking the same privilege as their competitors. But up to the present the two have been unable to agree upon the plan they will put forward to Congress.

Undeniably however, there continues to be a decided trend in the United States toward the branch system. Branch banking was first developed by some state banks and trust companies. One of the New York banks now has some 70 branches. In Detroit there are 15 or 20 branches of various local banks while the Bank of Italy has opened more than 30 branches in 20 different Californian communities, and continues to extend rapidly. There were recently reported to be 800 branches of state banks in the United States. In a measure to offset this competition from the state banks in some states national banks have secured control of the state banks which possess the branch privilege.

TORONTO

James L. Carson, assistant manager of the Montreal branch of the Bank of Toronto, has been appointed manager to succeed H. B. Henwood. Roland H. Cardy, at present manager of the Sarnia branch, will be assistant manager to Mr. Carson. The latter entered the Montreal office of the bank in 1905 after four years' training with the Royal Bank of Scotland, and has gradually won his way to the position he now holds. Mr. Cardy was formerly in the Montreal office as accountant.

STERLING

The Sterling Bank announces the following staff changes: L. G. Fox, of Birnie branch, appointed manager at Kelwood, Man.; J. E. Haskins, of Winnipeg, manager at Birnie; C. O. Monroe, manager at Watford, transferred to Fenelon Falls as manager and supervisor of that district; H. W. Nixon, of Port Stanley, manager at Watford; N. C. Buckman, of Wellandport, transferred as manager to Port Dalhousie, replacing Mr. Atkinson, who has been transferred to Port Stanley; H. E. Laverty, appointed manager at Wellandport; J. A. McBride, appointed manager of the Newtonbrook branch; W. A. Hay, of Stevensville, appointed manager at Staynor; T. E. Brett, appointed manager at Stevensville.

BANK REFERENCES OFTEN MISUSED BY PROMOTING FIRMS

Unscrupulous Refer to the Banks When They Have No Right To Do So

Some thousands of people have been deceived by unscrupulous firms using banks as references, says the American Banker. A firm may place on deposit a fairly large sum of money in a banking institution and permit it to remain there for a considerable length of time. Then it will take the greater part of the deposit and place it an another financial institution, permitting this second portion to remain there for some time. If desired a third or fourth transfer of the funds may take place and the depositing firm makes itself solid with several banks.

Deceptive Bank References

After a time the firm in question will commence a mail order or other form of business and its circulars will state that the banking references include two, three or four banks which had been manipulated as described. The recipient of the selling appeal is lulled to sleep through seeing the names of these sturdy financial institutions and involuntarily places his trust in the concern which may be fundamentally the most "crooked" in the country.

The bankers may maintain that their recommendation is of no valu All that they may reply if an inquiry reaches them is that, "So far as they have knowledge the concern appears to be O. K. and that a satisfactory deposit has been maintained." The seasoned investigator would not accept this banking reference for one moment and those who retain credit experts dig far below the surface of banking references when they make investigations.

But it is the unsuspecting individual who is deceived. In nine hundred and ninety-nine cases of one thousand the recipient of an advertisement designating a financial institution as a reference feels that the very fact that the name is used is sufficient evidence and that any further effort to get in touch with the bank is superfluous. Furthermore if the interested party should communicate with the bank the answer will be non-committal. As the individual wishes to be assured that the concern is responsible he takes the optimistic viewpoint.

What is The Remedy?

How can the banker correct this situation?

There are two distinct steps to take. The first is to refuse all information of any kind about thos with whom they do business. The other is to give a full and comprehensive report covering not only the actual relations but also concerning the business history of the firm or individual asking for such recommendations to be given. This last method would involve all kinds of difficulties for the banker and his only safeguard would be to refuse to answer when his opinion is detrimental to the applicant for reference. Again, the reference may be satisfactory at the moment and the banker may be deceived. Unless the bankers of this country wish to maintain costly offices for investigation of credits and enter into a sphere which is beyond their present functions they had better stick to the first suggestion and deny recommendations regarding firms or individuals.

There is however a service in the recommendation field which the banker may perform with a certain amount of safety. There are—or maybe were—hundreds of unscrupulous firms dealing in stocks, bonds, foreign exchange and "investments" which have milked the communities dry of surplus funds. It is inconceivable that a banker may not suggest to the residents of the community which he serves the name or names of legitimate brokers through which the bank deals so that the individual may receive this added safeguard. In fact, it is a curious thing that many banks will permit their names to be used as references for a firm in the mercantile business and will not dare to suggest or recommend a brokerage or investment firm to their clients through which said clients may either speculate or invest. The reason is really inexplicable.

Competition between banks in a small or limited community for deposits sometimes leads such banks into acts which result in loss to others. In suburban towns and in many country localities one of the means whereby banks attract deposits is that they will recommend—in a general way—the depositor for the purpose of opening charge accounts in department and other mercantile establishments. The extent to which this is done is beyond the comprehension of the average individual. It is very disastrous, especially when practised in connection with the accounts of unbusiness-like and spendthrift housewives and has led to complications which have wrecked households. It is a practice which should be taboo and considered unethical.

A RELATIVE TERM

Wall Street Journal

A bond salesman was telling a Missouri investor that all his offerings were seasoned.

"Have you changed the meaning of the word 'seasoned' as our anti-prohibitionists have changed the meaning of the words 'old' and 'new'?" asked the investor.

"Only yesterday," he continued, "I tried to buy a pint of whiskey in the Ozarks. I was asked if I wanted new or old whiskey. I asked about the difference. And what do you think I was told? The answer was that the new whiskey was made this morning and the old was made yesterday. That's why I wondered whether your idea of the word 'seasoned' had changed."

What do you know about your client's business interests?

Among your clients are many who are identified with the following industries: Printing, Publishing, Paper Box Manufacturing, Advertising, etc.

These read The Canadian Printer and Publisher — the only Canadian trade paper devoted to those industries.

Your message to the trade every month will be widely read by just those men who often need your services. The cost is negligible — why not speak to them? Write for rates.

It is to your own interests to keep posted on all matters pertaining to the printing business. Your information should be the latest and most authoritative.

$3.00 will bring The Canadian Printer & Publisher to you for a year—even as an investment it's worth more.

THE CANADIAN PRINTER & PUBLISHER
143 UNIVERSITY AVE., TORONTO

"Joy Shots" That Lead to Hell

By JUDGE EMILY F. MURPHY (*Janey Canuck*)

THIS IS the first of two articles in which Judge Murphy describes the menace that exists in Canada to-day in regard to the illegal traffic in narcotics. It gives actual facts from many Canadian cities and shows how the hypodermic needle is an even greater evil to combat than the opium pipe. The second of these articles will likely be in the July 15th issue.

Is Bootlegging a Passing Phase?

How common is bootlegging in Canada today? How do the members of the bootlegging profession carry on their business and what is their relationship to the officers of the law? These are two of the questions which are answered by A. Innes MacKenzie in a very colorful article describing the adventures, the fortunes and humorous rencontres of Canadian bootleggers from the Atlantic to the Pacific. Mr. MacKenzie writes whereof he knows, as he has spent several months studying this question and even associatting with many of the bootleggers themselves, in the interests of the readers of MACLEAN'S MAGAZINE.

Other Features in the

JUNE 15th MACLEAN'S

What Will Radio Do to Us? *by J. L. Rutledge.*

A Ruthenian Wedding *by Clara Ward.*

What Shall I Do With My B.A.? *by G. E. S. Pringle.*

Barnstorming on the Chautauqua *by Agnes C. Laut.*

Babs and the Manager *by Leslie Gordon Barnard.*

The Valley of Bleached Bones *by Madge MacBeth.*

The Golden Fleece *A long "short" story by Bertrand W. Sinclair.*

Ovington's Bank *An intensely interesting serial by Stanley J. Weyman.*

Is the Canadian Flapper a Menace?

This is a question raised by Mrs. Gertrude S. Pringle in a startling article dealing with conditions as they too frequently exist in some Canadian centres. Extraordinary conditions are described by Mrs. Pringle, who is a thorough and conservative investigator. It is only too true, evidence regretfully shows, that some Canadian flappers are very much akin to their American sister who "parks her corsets and indulges in petting parties."

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JUNE 16, 1922

SPEAKING OF BIG BOSSES

A BIG BOSS—the $50,000 type of general manager—has been suggested by THE FINANCIAL POST for the Canadian Manufacturers Association. In the event of there being a misconception of what is meant by this suggestion let us mention Judge Landis, the Big Boss of Baseball. There is, of course, a difference between baseball and manufacturing but there is not so much difference in the problems of both organizations in controlling certain members, who, by their selfish short-sightedness, would destroy public confidence in order to line their own pockets. The manufacturers, like the baseball promoters, must keep their house clean if they want public patronage.

What the C.M.A. wants is a man to direct its affairs, who will prove big enough to win proper appreciation from the public for what the manufacturers are doing and big enough also to put in their places the little fellows who think only of themselves and can see no further ahead than one transaction.

When Judge Landis was appointed to maintain the popularity of baseball with the public it was realized by those who were back of this great enterprise of commercialized amusement that it was coming into disrepute. The so-called National Commission was split into factions with Ban Johnston as a little big man. To hold the faith of the public something had to be done and Judge Landis was made commissioner at $75,000 a year. He has impressed the public. He has done things that at first financially hurt the game and the baseball industry—and that tremendously hurt certain owners. He suspended the great Babe Ruth, thereby putting out of action the greatest drawing card the game ever had, causing all clubs in the league, and particularly the New York Americans, financial loss. The owners winced but stood for it.

Landis has impressed the people as a strong man who insists that the interests of the public be safeguarded—that the game be kept clean. Canadian manufacturing is a bigger game. What is wanted is a Big Boss who will give confidence that it will be kept clean in the public interest. Some owners will suffer temporarily and some Babe Ruths will object to being put in their places but in the long run industry as a whole will benefit in the increased confidence of investors, workers and consumers.

MR. PARSONS AND GASOLINE PRICES

MANUFACTURERS who wish to keep in touch with national opinion should read "Hansard." There is more practical common-sense and less platitude and flag waving than in any budget debate we have ever followed. The debates reflect attitudes towards the tariff and manufacturing generally that deserve urgent consideration of those of us who believe that Canada's best interests are served by protecting the building up of our domestic industries. If the leading manufacturers and leading workers and important class interests could have come together as the farmers suggest, there would probably have been no farm party or growing influence opposed to the tariff to-day.

One M.P., Mr. Millar, Qu'Appelle, put it very fairly when he said the other day: "I believe that when the various interests in Canada give a little more consideration to other interests, show a little more sympathy, and are willing to help not merely their own constituency first but all parts of Canada that need help, we shall be taking a step towards prosperity. We have been following too much in the past the rule of 'Give and Take'—give as little as possible and take all you can get."

Incidentally, Mr. Millar answers Mr. Parsons' demand for THE POST to name a single combine. Hansard reports Mr. Millar as saying: "Many people have asked during the past few years why it is that gasoline, to give a concrete example, should be retailing in Canada for 50c. a gallon, when the retail charge on the other side of the line is only 25c. a gallon. * * * In the case of such monopolies as these the aim of a budget should be, as far as possible, to so direct industry as to prevent such abuses."

Of course, the explanation of the difference in the prices of gasoline in Canada and the United States has frequently been given. Investigations have been held which have justified the higher price in Canada on the basis of the difference in wine and Imperial measure, the tariff tax, the cost of transportation, etc. But these explanations have never reached the great mass of the people in Western Canada and it is good political tactics for Western members to continue to talk of the combine.

What is needed is a better understanding in Western Canada of Eastern business. When Mr. Parsons was president of the C.M.A., a Western official representative of the Farmers Associations suggested that it might be well in the national interest if farmers and manufacturers got together in a conference to discuss the situation and get a better understanding of each others' interests. After he had gone Mr. Parsons expressed the fear that at such a conference the manufacturers would get the worst of it and therefore opposed it; or if they did take part it would be necessary for the manufacturers to have a very able lawyer to represent them—a man expert at quibbling we presume. Mr. Parsons' refusal to take advantage of that opportunity put the farmers and manufacturers in two opposing camps. It united the farmers into a powerful party opposed to the manufacturers. They are gathering strength from other classes. This is a fact that must not be overlooked. Mechanics may sullenly vote for protection but they will cordially cheer for taxing manufacturers.

OUR ABSURD PUBLIC APPOINTMENT SYSTEM

HON. MR. FIELDING recently made a very clever and very timely exposure of the lack of business common-sense in the development of our national civil service. He was criticized by Mr. Meighen for going outside the Civil Service Commission and its system of selection of men by competitive examination to fill government positions. Mr. Fielding had selected a Mr. Russell, who had been forty-five years in the government's service, who had retired, but was thoroughly familiar with details of the tariff and just the man Mr. Fielding needed at this time.

Mr. Fielding promptly came back.

"I think it is quite possible that if applications were to be called for in the usual way and a competition take place, the wrong man might get the office. I do not hesitate to say that Mr. Russell is qualified by forty-five years' experience, and it is possible that some man might come in and, on account of being better able to tell the color of Julius Caesar's hair, he might get the job."

In taking this stand Mr. Fielding undoubtedly has the sympathy of every business man. To put it in another way, would any sane business man make appointments to his staff in the idiotic way that the civil service makes appointments to the public service.

WHY NOT CALL A YEAR A YEAR?

IF THERE IS any good reason why the government's fiscal year should end with the 31st of March instead of the 31st of January we have not heard it. On the other hand we can think of several very good reasons why it should be changed. But perhaps no one ever thought to trouble about it and at Ottawa if no one troubles very few things are done.

In the public mind there is only one year—it commences and ends with New Year's. That is a time of change when changes are expected and generally experienced. It is a time when a statement of the country's affairs would be more readily understood than at any other season. To the public there is much confusion in a fiscal year and a calendar year—but perhaps it is intended that there should be.

Another point is that it would tend to bring uniformity in the business year. Most companies and financial institutions round out their year with the turn of the calendar and it would have advantages from the standpoint of taxation, etc., if business and the government worked on the same schedule. If the government required certain funds to be raised by taxes for the year then the various corporations and institutions could arrange their budgets accordingly and not be called upon half way through their year to make provision for increased taxes out of profits which may already have been disposed of.

THE FARMERS AND THE BANK ACT

BEFORE THE budget debate wound up in the House of Commons at Ottawa Progressive members from Western Canada had an opportunity to express their views on many national problems. Last Friday, for instance, was a field day for these farmer members. Half a dozen of them spoke at length and judging by the slim attendance in the house most of the other members thought they were talking through Hansard to their local newspapers and constituents. That was unfortunate for there is need in Eastern Canada of a real understanding of the problems of the West, just as there is need in the West for a broader appreciation of Eastern Canada's aims and views.

One cannot but be struck by the soundness of argument advanced by these level headed Western farmer members. Manufacturers are too apt to fear the farmer in politics. Experience in Ontario has proven that the farmer in politics exercises the same native shrewdness and judgment that characterizes his dealings back on the concession lines. More consideration of the study of their speeches in the House by those who condemn them unheard as Bolsheviks or as dangerous men would lead to closer bonds between East and West.

One of the members during the debate told of loans that had been called by the banks, forcing Western farmers to sell their stock at a loss at the same time that one firm of stock brokers had been loaned $4,000,000 "for what might be termed gambling purposes." Such a complaint is not surprising under the circumstances and in view of the Merchants Bank fiasco.

When the Western farmer demands a new system of credit in Canada those in charge of the superstructure of credit in Canada should be able to show him that the present system is all right or should make it right. If a bank which calls farm loans has been looted for stock market manipulation and the court can find no one guilty under the Bank Act, their demands for amendment of such an Act must be expected.

EDITORIAL NOTES

THE ASSOCIATION of W. N. Tilley, K. C., on the board of the Canadian Pacific Railway with that other brilliant and understanding lawyer, President E. W. Beatty, should tend to smooth out relations between the big corporation and the public which it is consistently endeavoring to serve.

* * * *

"THE PASSING of Private Ownership" is referred to by The Toronto Star with as little regret as a distant relative referring to an event which involves a big legacy. It yet remains to be seen, however, whether there will be assets or liabilities when the estate which has been bequeathed to the people of Toronto is finally adjusted.

* * * *

THE ONTARIO Government is thinking along sound lines when it seriously considers the granting of financial assistance in the establishment of such country hotels as will attract tourists to the province. This is a natural business-like development of the good roads program. There is nothing that will bring visitors back again more quickly than the pleasant taste in the mouth of pleasing hotel accommodation.

Government Ownership Inefficient and Destructive

HERBERT N. CASSON, LONDON, in The Efficiency Magazine.

Speaking quietly, without rage and prejudice, can any one tell why it is that all government departments in all countries are slow, wasteful, and incompetent?

There must be some basic reason for this, as the individuals in these departments cannot all be inferior to the individuals in private firms.

Almost invariably an able man becomes disabled when he is placed in a government department.

He becomes timid, procrastinating, non-committal, evasive, and unprofitable. He becomes a mere chattel of routine. Why is this?

Reasons for Incompetency

The fact seems to be that man simply cannot be competent in a government job, for the following seasons:

1. There is not payment by results.

There is no piecework. There is no profit-sharing. A man gets as much for doing badly as he does for doing well.

2. There is no fear of discharge.

A man may be transferred, but as long as his conduct is satisfactory, he cannot be discharged for incompetence. Any sort of a fool can hold a job forever in the civil service.

3. There are no profits to be made.

There is no possibility of bankruptcy. If the department doesn't pay—very well. The treasury has plenty.

4. There is no danger of losing customers.

A government department does not depend upon its customers, so that it has no incentive to be quick and courteous and obliging.

5. The main thing is accuracy, not success.

A government employee has simply nothing to do with success. His aim is to avoid mistakes. The less he does—the fewer mistakes.

6. Time is of no consequence.

As all government employes are made into clerks they come to have a clerk's disregard of time. To clerks, as to lawyers, a delay is a relief and a comfort—the more the better.

7. The work is impersonal.

There is very little personal responsibility in a government office. The clerks have arranged a system whereby nobody is to blame, no matter what happens.

8. There is no competition.

A government department is always a monopoly. If it were not it would soon be thrown aside. It has no competition to battle with, and it can take its ease and do as it pleases.

9. Routine is put ahead of service.

In government departments all the workers (if I may use the word) are tied with red tape. They are all the slaves of a system of procedure.

10. There is no enthusiasm.

If a man stays in a government job long enough he becomes mummified. He loses all the energy and joy of living that are so necessary to efficiency and success.

These are a few of the reasons why nationalization always has failed and always will.

Just put yourself in the place of these poor automats. No matter how able you are, how could you be efficient if you had:

No hope of profits; no fear of failure.
No competitors; no customers.
No reason of hurry; and
No danger of being found out.

Nationalization is not only a destroyer of trade and commerce. It is not only a coral reef built across the harbor of prosperity.

It is worse. It is far worse. It is a destroyer of men. It takes an able man and grinds him down until he is a clerical drudge.

Fallacy Of Restricting Income Of The Railroads

Power to Limit Earnings Does Not Imply Duty to Do So —Eventually All Lines of Industry Suffer

To those at Ottawa engaged in considering the question of fixing railway rates, an article in the North American Review, by Samuel O. Dunn, headed "America's Railway Fallacy" will prove exceptionally interesting and instructive.

Mr. Dunn shows the dire results to transportation conditions in the States that have arisen from the mistaken policy of regulating the railways almost to a point of bankrupcty and prophesies still worse results in future unless the present system of regulating public utilities is changed.

While the courts established the principle that the government had power to regulate the rates charged by public utilities, they also laid down the principle that rates could not constitutionally be so regulated as to deprive owners of a fair return upon their property. This settled only what the government had power to do; not what it would be wise in the public interest for the government to do. Nevertheless most public men without detecting any fallacy in their reasoning, jumped to the conclusion that what the courts held was the extreme limit of government regulation was also the limit to which regulation ought to be pressed, and then proceeded to build up a system by which the net returns of railroads were restricted to the lowest level which would not involve confiscation.

Nobody ever uses the fallacious argument that because the government has practically unlimited power to tax that therefore it ought to impose practically unlimited taxes. Why then because it has power to reduce rates to a point where confiscation will be barely avoided should it be the duty of the government to do this?

It is the government's duty to fix such rates as will allow a public service concern to render as much more and as much better service as the public needs. A return of five or six per cent. may not be confiscatory but, it may require a return of eight or ten per cent. to enable a concern to raise enough addditional capital to provide necessary additional service. In that case for the government to restrict it to five or six per cent. directly injures the public by preventing the concern from providing the needed service.

Let us now consider effects that have actually been produced through failure to recognize the distinction between (1) the way the courts have held the government may regulate public service concerns and (2) the way sound principles of economics and public policy dictate that it should regulate them.

On the one hand we have the large private industrial companies, including those that build automobiles, those that make silk shirts, jewelry, cosmetics and chewing gum. These are subject to no regulation, they may make any profit they can. They can pay any salaries they please. A Postmaster General of the United States recently has accepted from the moving picture industry a salary twice as large as that paid to any railway president in the country. A large steel company pays its president a salary greater than the combined salary of any dozen railway presidents. Does not the public when it buys the products or services of any such concern pay the profits it makes or the salaries of its officers, just as truly as it pays those of concerns held to be engaged in a public service?

On the other hand we have those enterprises engaged in rendering what are called "public services." The courts held that as they might charge the public excessive rates they were subject to regulation. On this foundation we have built up a system of regulation which has made public service concerns especially railway and traction companies the Ishmaels of the business world.

Ever since this system of regulation was put into effect the railways and most public utilities have been earning relatively less and less as compared with other industries.

The increase in income in 1915 over 1910 of all corporations in the U. S. was 50 per cent.

In the case of railways there was a decrease of 33 per cent.

In 1917 the railways although they did the largest business in their history, half as much again as in 1910, only increased their income over that year by one per cent.

The increase of all U. S. corporations in the same period was 160 per cent.

In the four years ending 1920 the increase in the issues of securities of industrial companies was well over four billions of dollars compared with the four years ending 1912.

In the case of the railway companies there was a decrease of 2¼ billions for the same period.

In consequence there is agitation and outcry in almost every city in the country because the development of street railway lines has utterly failed to keep pace with the growth of population and traffic. Almost everywhere the cars during rush hours are overcrowded to the point of indecency and of danger to the public health.

What does all this mean? It means that we are directly encouraging the development of many industries which though highly desirable are relatively non-essential and directly discouraging the development of industries which are absolutely essential. As a matter of public policy we are encouraging the manufacture of chewing gum, of cosmetics, of silk shirts, and the increase of movie shows and we are discouraging and actually making impossible the provision of electric lights and power, of good and adequate street railway service, and the adequate development of railways.

The public has already felt the effects of this policy in inadequate public utility service, but the effects felt thus far have been negligible compared with those that will be felt in future unles a different policy is adopted.

The volume of commerce possible depends upon the volume of production and the volume of production depends upon the amount of transportation that can be furnished. As the available means of transportation determine the amount of production that can be carried on, they likewise determine the amount of commerce that can be carried on. The conclusion to which this reasoning leads is plain. The governmental policy of strictly limiting the profits allowed to be made by railroads and public utilities must inevitably result, sooner or later, in limiting correspondingly the profits that can be made in all lines of industry and commerce. The present policy of regulation is intended to enable the farmer, the merchant, the manufacturer to increase their profits at the expense of the railways and thus far it has had that result. But its ultimate effect must be to limit the profits of all these concerns and persons as drastically as those of the railways themselves. The policy of so regulating railways as to restrict them to the lowest net return that will avoid confiscation is one of the most flagrant examples of economic and political quackery that the world has ever seen.

One thing is certain. If our policy of government regulation is to be successful and not drive us into government ownership, we must throw overboard for ever the glaring fallacy that concerns engaged in a public service should be regulated to the point of confiscation, simply because it is not unconstitutional to do so. The power to regulate railroads and public utilities is the power to so restrict their profits as without confiscating their present properties, to make further expansion of these properties and increase and improvement of the service rendered with them impossible; but the public welfare plainly demands, not that the power of government shall continue to be so used to this end, but that it shall cease to be so used.

CURRENT OPINION

BOND DEALERS AND THE LOAN

The Ottawa Journal

An interesting reference to the Federal Government's forthcoming domestic flotation was made by President Russell Bell, of the Bond Dealers' Association of Canada at the annual convention of the latter body in Montreal. Mr. Bell declared that the bond dealers would look forward to the handling of the big issue with resignation rather than eagerness, and proceeded:

"Looking ahead to what should be a period of gradually declining interest rates, extending over a number of years, the brightness of the outlook is somewhat clouded by a knowledge of the immensity of the work which the bond dealers will have to accomplish (in the handling of future refunding loans). That this year's refunding operation must be conducted on a business basis, and that the machinery set up for it must be capable of handling not only the maturity of 1922, but those of 1923, and 1924, and succeeding years, is the basis on which your executive has attempted to build. Heavy as the task may be I think I can safely say that our determination is to shoulder it and carry it out is of no less weight."

Mr. Bell's sizing up of the needs of the situation is sound, but it is comical to hear the bond dealers speaking as if it were they, and not the people of Canada as a whole, who really have to bear the burden of war debt refunding and repayment. The bond dealers are just a little afraid that with a really shrewd Minister of Finance in power they may not make quite so big a profit out of future refunding operations as some of them would have desired.

WHY WET NURSES FOR BIG BUSINESS

Forbes Magazine

Have American business men, even the biggest of them, lost their self-reliance? Why this appointing of wet nurses to take charge of different industries? The moving picture people concluded that they couldn't run the industry themselves; so they called in Will Hays to save them. Our baseball magnates also reached the conclusion they needed someone to take hold of the reins; so they placed the supervision of their affairs in the hands of Judge Landis. It is announced that the vast building industry, feeling that a guardian is needed for it, plans to send an S.O.S. to Franklin D. Roosevelt, former Assistant Secretary of the Navy, who is to be given powers equal to those of Hays and Landis.

The explanation given in each case has been that the industry was losing the confidence of the public, and that some heroic measure was necessary to prevent worse demoralization and possible disaster.

The reasons responsible for this unique innovation are not complimentary to those who have been obliged to resort to it. Is there not likelihood that the next step will be to have all these wet nurses, or super-bosses, or whatever you choose to call them, named, not by representatives of the industries, but by the representatives of the people, the Government?

June Investments

Those with accumulated funds and those with funds now being received from June dividend or interest payments have splendid opportunities for investment of these funds. Bonds of Canada's representative municipalities form ideal investments and may be procured with a wide choice as to maturity, amounts, prices, yields, etc.

Copy of the June List gladly forwarded on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

PAR VALUE OF SMELTERS

M., Cornwall—Would you be so kind as to inform me the par value of Smelters per share.

The par value is $25 a share, and the dividend paid, one of 10 per cent., brought $2.50 a share per annum.

ENGLISH ELECTRIC

C. F., Hamilton—Do you consider the purchase of the English Electric Co. 8 per cent. preference stock at par, with 30 per cent. bonus common, a safe investment?

We have always regarded English Electrics very favorably as a new industrial project. Stock was originally sold at par with a 40 per cent. bonus of common. The offer with a 30 per cent. bonus of common is, therefore, indicating a somewhat higher price but this we believe reflects as the present market value. That there has been already some stiffening in the price we consider a very favorable indication. At the same time, however, it is necessary to distinguish between a reasonably safe investment and an absolutely safe investment. If you are seeking something absolutely safe you should consider nothing but Government bonds.

The English Electric Company represents in Canada one of the biggest electrical companies in Great Britain. It should share in the general demand for electrical equipment—a demand which promises to show continued expansion. Recent announcements have been made that financial interests associated with the English Company should be in a position to finance in Canada the building of new utilities in which the products of the company will be used.

DURANT MOTORS

Banker, Hamilton—The Durant Motors of Canada are selling stock in the district. Will you please express an opinion?

At the time the Durant Motor project was launched in Canada we pointed out that Durant was one of the outstanding geniuses of organization identified with the upbuilding of the automobile industry in America. It was evident that he was endeavoring to put his Canada project on a sound basis. The idea of having bonds or preferred stock and of selling common stock only at $10 a share was rather novel but after all a clear-cut proposition, although commissions would probably render this method of selling stock rather expensive. On the other hand, however, there was the argument that widespread holdings of stock would tend to create a market for the company's product.

At that time we were doubtful as to whether the automobile industry in Canada would revive in the near future but since then there has been a marked improvement in the market and the Durant Company has evidently shared in this demand. Whether the new taxes on automobiles will have the effect of curtailing demand remains to be seen.

Altogether we consider Durant Motors a fairly attractive industrial speculation.

THE B. E. STEEL MERGER

Scotia Bondholder—Your issue of June 2nd contains the report of the above Corporation from April 6th to December 31st, 1921.

If I understand this matter correctly this corporation was originally intended to include the steel and coal companies, the three shipyard companies, the St. John Nail Factory and sundry other small concerns. I believe this scheme fell through and the British Empire Steel Corporation is now made up of the steel and coal companies, the car works at New Glasgow and the Halifax shipyards. Please inform me if this is correct.

I was quite pleased to learn from the papers that the Halifax Shipyards had contributed in such a substantial way to the earnings of the corporation for the last year. Would you kindly inform me if this latter company was taken into the merger at upwards of ten million dollars, ($10,000,000) and if the promoters have since paid the government for the dry dock property or is it still under lease at the small rental of sixty-two thousand five hundred dollars, ($62,500) a year, also what is its present capital? I would like this information for the meeting of June 27th.

So far as Halifax Shipyards is concerned, this was taken into the merger with Scotia and Dominion Steel on the basis of $3,000,000 of preferred stock and $5,000,000 of common stock. It would appear that shortly before the merger the common stock of Halifax Shipyards was increased from $3,000,000 to $5,000,000. We have never been able to find out whether there was any consideration given for the $2,000,000 of extra common stock nor to whom this stock was granted. Our impression has been that the common stock was bonus while most of the preferred was paid for in cash. We are endeavoring to get information on the point you raise as to whether the Government had been paid for the Dry Dock property or whether it was still under lease of $62,500. We will endeavor to get this information for you in time for the meeting to which you refer.

Perhaps you will be interested in a record of the various companies that it was proposed to include in the original merger. These were as follows: Dominion Steel Corporation, Limited, and its subsidiaries; Nova Scotia Steel & Coal Company and its subsidiaries; Canada Steamship Lines and its subsidiaries; Collingwood Shipbuilding Company; Halifax Shipyards and its subsidiaries; Davie Shipbuilding & Repairing Company; Maritime Nail Company; Century Coal Company.

The scheme as you imply fell through for various reasons, and the final merger was made up of the Dominion Steel Corporation, Nova Scotia and Halifax Shipyards.

AMES HOLDEN PREFERRED

B., Quebec.—I bought Ames Holden preferred at over 40. Is there likely to be an assessment on the preferred shareholders? Is the financing likely to go through? Would you advise holding the stock or selling?

There are so many conditions upon which the future value of this stock is depending that we hesitate to advise you in regard to holding or selling it. That we must leave to your own judgment. The company lost heavily in the footwear business during the past year and their working capital reserve has been wiped out. It is necessary for them now to secure about $1,500,000 of new money in order to provide working capital to keep the business going. The first bond interest due on the first of April had to be deferred and the three sets of bond holders, that is of the Ames Holden McCready (the footwear plant), Ames Holden Tire Co. and Ames Holden Felt Co., are forming a special committee along with the creditors to arrange some means of financing. This seems likely to take the form of a first mortgage bond on all the properties, which are likely to be amalgamated. As there are about $2,500,000 of first mortgage bonds already issued against property that is valued at about $5,000,000, the equity over and above these bonds for a first mortgage on an equal basis with the others, hardly seems attractive enough to induce investors to put $1,500,000 into it. We feel that this would result in the first mortgage bonds being reduced to the position of second mortgage bonds and a new first mortgage lien issued on the property. In this case we feel that the company would have little difficulty in securing the additional money required. The business for the month of March last showed a profit after nearly two years of working at a loss. The tire company and felt company both did well during the past year and if business sees a reasonable return to normal it seems reasonable to believe that the company will pull out. We must leave it to you, however, under the circumstances to decide what course you will take, as we cannot offer any opinion as to whether the first preferred stock will go any lower or whether within a reasonable period it will show an advance in price. There will be no call on the shareholders for new capital.

Why Should The Farmers Have Special Banking Facilities?

The Federal Land Bank System in the United States—How it Works Out Through Local Farm Associations

By AGNES C. LAUT.

Following is the third of three articles written by Miss Laut which explains from the standpoint of the man on the land the agitation for better banking facilities for the agriculturalist. THE FINANCIAL POST prints these articles not with the idea that the contentions of those who would experiment with our banking system are sound or justified but to show to the financial community the roots of dissatisfaction from which the agitation for increased farm banking facilities is growing—an agitation which, in view of the strong agricultural representation at Ottawa, must be considered in relation to the periodical revision of the Canadian Bank Act next year.—Editor.

Federal Land Bank bonds in the United States have two rock bottom secutities. First, the mortgage of the local farm association bank—of which there are twelve centres in the United States—covers only 50 per cent. of the appraiser's value of the land. Second, the bonds are issued with the guarantee of the U. S. Treasury. Before these bonds could default, farm values in the United States would have to fall 51 per cent.; and speculative values are not accepted for a basis of loans. The basis of the loan is the net earning power of the farm. Second, before these bonds could default, the United States Treasury would have to go bankrupt, which it is unlikely to do with the most of the world's gold in the vaults—three billion dollars just now, against Land Bank mortgages not yet totalling a billion; and these mortgages are being repaid in principal in yearly instalments. That is—fast as the loans expand, the repayment of principal is providing a fresh reservoir for fresh loans.

This feature of endorsement by the U. S. Treasury was not contemplated in the original act of 1916; but when the War involved the United States in 1917, it was realized that a new kind of bonds thrown on the market might fail; and as the war could only be won by increased food supplies, the U. S. Treasury in 1917 and 1918 purchased 100 million of Federal Land Bank bonds, which were resold to investors. This practically meant, the U. S. Treasury provided the first capital for the twelve district Land Banks.

When a farm district needs money, an association of farmers sends to one of the central twelve banks. The local association puts in an application for the mortgage loans needed. The central bank sends its appraiser. He examines the title and earning power of the farm and especially the character of the borrower, who must be a bona fide resident, worker, producer, not a tenant, nor absentee. If he has passed the loan, the association extends the mortgage; but where is it to get the money for the loan in a penniless community? That is the point—the bonds issued by the central bank sold to big investors return the cash for the local loans.

Each of the central land banks has nine directors, six of whom represent the loan association of farmers acting under it, three represent the loan association of farmers acting under it, three representing practically the Farm Loan Board, or U.S. Treasury. As soon as loans have been arranged for at least $50,000, bonds are issued against those mortgages in equal amounts. The initiative for a loan association must come from a local co-operative group of farmers. No money must be loaned to local directors. A local bank may act for the local association. It requires at least ten farmers to form a local association applying for charter membership in a central land bank. There are as told before now 3,966 such associations in the United States, which is more than the municipal counties in the United States. The farmers elect their directors.

Up to the present overhead has cost less than 1 per cent.; in fact, less than ½ of 1 per cent., so that profit has been eliminated. The first bonds were issued at 4½ per cent. but as the war cramped the money market, the bond rate was advanced to 5 per cent., while by keeping down overhead and profit, the farmer was paying for his mortgage only 5½ per cent. Please compare this with some of Canada's Western rates. The highest rate chargeable to a farmer under the Federal Land Board is 6 per cent.

The bonds run for twenty years, the mortgages for thirty-five years; but either can be paid off in five years if the farmer prospers. Bonds are issued in amounts of from $40 to $1,000. Interest is paid half yearly in gold at any Federal Reserve Bank. Of all the tax-exempt securities in the United States—16 billion dollars in 1921—farm bonds represented less than 7 per cent.; so the exemption is not making a great hardship to the Treasury.

The long term of the mortgages removes the dreadful fear of the borrower that he cannot get a renewal, when he needs it most. It also leaves the principal paid, when the last interest is paid. Naturally, the individual desperate farmer could neither get such loans, nor such terms. The big group borrower can.

Loans are made for the following purposes only: (1) to buy land; (2) to buy equipment, live stock, fertilizer; (3) for buildings; (4) to pay off debts. Loans are made solely on the potential earning power of the lands. Here is how the estimate is reached. We'll say a farmer's milk check, or grain checks at the elevator—have averaged in a term of years, $3,600. Wages, feeds, depreciation, insurance are deducted. Say the farmer has left $1,200. At 6 per cent., his farm would be capitalized at $20,000. Under the law, he could borrow $10,000 on that farm. To give the details of how the system has worked out would fill a book; and to anyone, who wants such details—I commend Wiprud's Report on Minnesota, where conditions most closely resemble our own; but when I think of the desperate cases I witnessed last summer in regions that have suffered drought for three years, but usually get four big crops out of seven; when I think of the distracted fathers, the bare-footed children, the sad eyed, toil-worn women, and the local bankers desperate as any farmer, (for they could not extend more credit and did not dare foreclose for fear of a general crash,)—I cannot but conclude such a system would be a godsend to western Canada and might have prevented the tragic exodus of some part of the 800,000 farmers, who have left the West in ten years.

The Business Outlook

What warrant is there for saying business conditions are improving?

How are business conditions affected by stabilizing commodity prices?

The new Greenshields Review gives a chart indicating an important change.

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Toronto: 14 King Street East
Ottawa: Central Chambers

PERSONALS

J. O. MARTINEAU, Montreal, died at the early age of 46 years, at the week-end. The late Mr. Martineau was president of the Commercial Plate Glass, and president of the Merchants Awning Co., a director of the St. Lawrence Brick Co., and a member of the firm of O. Martineau & Fils, Ltd.

A. L. CROSSIN, Winnipeg, who was elected president of the Bond Dealers' Association of Canada, has been for some years a leading member of the association in Western Canada. He is a member of the investment banking firm of Oldfield, Kirby & Gardner, of Winnipeg. Mr. Crossin received his early financial experience with the Huron & Erie Mortgage Corporation and is now a member of the advisory board. Later on he was connected with the Toronto General Trusts. He is a member of the advisory board also of Canada Trust Co. In 1916 he served as president of the Winnipeg Board of Trade.

The listing of an additional block of stock to the amount of $5,250,000 of the Bank of Montreal on the Toronto Stock Exchange was announced recently. This brings the total stock listed to $27,250,000.

Walkerville, Ont.

5½% and 6% Bonds

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Purchasers may obtain bonds due in any one of twenty years. Denominations: $1,000 and odd amounts.

Prices: To Yield from 5.50%-5.75% according to maturity

The Town of Walkerville, with a population of 7,303, is located on the Detroit River opposite the City of Detroit. It also adjoins the City of Windsor on the north, and in so far as location goes is practically a portion of that City.

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FINANCIAL STATEMENT

Gross Debenture Debt - $ 2,691,000.00
Value of Municipality's Assets, 3,477,900.00
Assessed Value for Taxation - 18,732,174.00
Population 22,700 Tax Rate 30½ mills

Kitchener is one of the leading industrial centers of Ontario. Important manufactories of furniture, shoes, rubber, wooden ware and many other prosperous industries are located there. It is also the market point of a splendid agricultural territory.

Price: Rate to Yield 5.50%

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Last year nearly 4,000 extra copies were sold. Bond houses distributed copies to their salesmen, agents and clients. Investing institutions placed copies in the hands of all their agents and officers.

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BIG ESTATES PAY $41,500,000 DUES IN PAST 6 YEARS

Provincial Revenue From Succession Taxes Is Large

Few taxes have attracted less criticism than succession duties—levies on estates passing at death. Inheritance taxes have a popular appeal; they affect the estates of people of means almost entirely and the greater the wealth of the person whose estate is being divided up the larger is the amount of the tax to be paid to the state.

Due to increases in the duties, an increase in the wealth of the country and greater vigilance in the collection of the taxes the revenue from succession duties in Canada has grown each year, and now is the largest single source of revenue in some provinces—Ontario, for instance.

Succession taxes are provincial entirely in Canada. The rates vary considerably in the different provinces and range from what amounts to a small flat rate in Prince Edward Island to as high as 60% in Ontario. The latter figure is of course only possible when a very large estate passes chiefly to non-relatives. The great majority of estates are not taxed at all.

One result of succession duty taxes has been that many wealthy individuals at their deaths have given much smaller contributions to educational and similar works than they might otherwise have bequeathed. They take this stand on the ground that as it has been the custom, in some provinces at least, to allocate succession duties to university and school development, they are thus contributing substantially from their wealth to education through their succession duties.

The table herewith is worth studying for the sidelight it throws upon the tremendous contribution to provincial revenue of estates passing at death.

Succession duties totalled $8,860,093 in 1918, the highest figure of any to date. In 1921 the figure was $8,555,602. In six years estates have paid $41,411,497 in inheritance taxes according to a compilation by THE FINANCIAL POST. In passing it is of interest to note that the estate of the late Sir William Macdonald, tobacco magnate, contributed the largest single inheritance tax ever collected in Canada, so far as records show. The taxes were about $3,500,000 and went to the Province of Quebec. Succession duties on the estate of Sir John Eaton are estimated at about $3,000,000.

HOW THE BIG ESTATES PAY

Revenue From Succession Duties of Canadian Provinces In Fiscal Years 1916-1921 Inclusive

	1916	1917	1918	1919	1920	1921
Prince Ed. Island	$ 10,213	$ 4,199	$ 3,422	$ 3,038	$ 7,936	$ 10,369
Nova Scotia	161,450	130,870	117,393	180,962	195,600	† 170,000
New Brunswick	77,952	30,436	90,418	79,325	90,610	151,326
Quebec	1,375,804	1,741,263	4,736,548	1,459,015	1,786,931	2,100,456
Ontario *	2,451,794	3,228,226	3,157,567	3,526,592	4,014,468	4,821,811
Manitoba	304,496	306,453	197,503	193,488	319,556	457,563
Saskatchewan	44,380	69,996	115,802	145,315	270,694	324,403
Alberta	148,832	142,608	200,072	167,246	267,336	177,415
British Columbia	139,907	277,703	241,362	271,777	374,321	342,259
Totals	$4,714,828	$5,931,754	$8,860,087	$6,026,758	$7,327,452	$8,555,602

*Includes both succ. duties and funds in lieu of succ. duties.
†Estimate of provincial treasurer. Actual figures not available.

BOND MEN READY FOR DOMESTIC LOAN

Bond Dealers Association Elects Officers for the Coming Year

After listening to their retiring president, Russell D. Bell, the bond dealers at their convention in Montreal, made up their minds to prepare for a domestic loan this fall. They realize moreover that Mr. Fielding expects Canadian investors to care for the maturing loans in 1923, 1924 and succeeding years. It was one of the chief topics of discussion among the bond men at the convention. The general feeling was that Canada could perform its own financing, domestic loans could be successfully floated but that in any event there would probably be large American subscriptions to bonds payable in Canada only.

Another subject discussed both in the meetings and among the dealers in private conversations was the possibility of improving municipal statistics now available from governmental sources. It was felt that statistics at present supplied by most of the provinces are of too little value and that there should be uniform methods of reporting municipal statistics in all the provinces.

The report of the municipal administration committee, delivered by W. L. McKinnon, outlined what is practically a programme for co-operation by provincial authorities to prevent defaults in municipal finance, the chief plank being the establishment of a local government board in each province clothed with sufficient authority to enforce proper municipal procedure. The report was given approval.

Officers elected were:

A. L. Crossin, of the bond house of Oldfield, Kirby and Gardiner, Winnipeg, president.

Vice-presidents are: J. A. Eccles, of Harris, Forbes & Co., Ltd., Montreal; J. W. Mitchell, Dominion Securities Corp., Toronto; and J. A. Anderson, Edward Brown & Co., Winnipeg.

$2,500,000 BONDS OF LUMBER COMPANY

Syndicate Will Present First Mortgage Offering of Stetson, Cutler & Co.

From Our Own Correspondent

MONTREAL.—An offering of $2,500,000 7 per cent. first mortgage twenty-year sinking fund gold bonds of Stetson, Cutler & Company, will be offered shortly at 98 and accrued interest to yield about 7.20 per cent. The bonds of this company, which is one of the largest manufacturers and dealers in spruce lumber and cedar shingles in Eastern Canada, and which has been in successful operation for over sixty years, have been underwritten by a syndicate composed of Royal Securities Corporcomposed Royal Securities Corporation, Halsey, Stuart & Co., of New York and Chicago, and Edward B. Smith & Co., of New York and Philadelphia. The purpose of the issue is to fund in part current indebtedness of the company and its subsidiaries, and provide working capital and for general purposes as well.

The bond issue is a portion of an authorized issue of $6,000,000 in addition to which their capitalization includes 250,000 common shares of no par value. Most of the stock is owned by the Cutler family of Boston. Timber limits are held covering about 54,000 acres of freehold, and 1,784 square miles of leasehold timber lands, in the Province of New Brunswick, while in the Province of Quebec the company holds about 335 square miles of leasehold timber land. The average sales of the company for the past five years have exceeded $5,000,000. The net earnings of the company and its subsidiaries amounted to $447,510 in 1915, $510,000 in 1916, $636,000 in 1917, $555,000 in 1918, $607,000 in 1919 and $592,015 in 1920. During the year 1921 in common with other companies, the heavy inventory losses wiped out the profits and operations showed a loss of $604,410.

Apartment House Bonds Offered by H. R. Wood

From Our Own Correspondent.

MONTREAL.—A new issue of real estate bonds amounting to $325,000 is being offered to the public by the Hew R. Wood Company. These bonds bear 7 per cent. and are offered at par and accrued interest. The issue is made in connection with the construction of the Rosemount Apartments at the corner of Sherbrooke Street and Rosemount Avenue, in Westmount, and are a direct closed first mortgage on the land, building and equipment, and a first charge against the income from the property, a sufficient portion of which must be deposited monthly with the trustee to meet the interest and principal payments when due. The building is six storeys in height and contains forty-eight appartments of various sizes. Ten individual private garages are being provided for the use of the tenants. A modern roof promenade has been provided commanding a view of the mountain. The annual earnings are estimated at $65,100 and net earnings at $47,845, or more than twice the highest annual interest charge. The value of the land building and equipment is placed at $600,000. The private garages were built as a source of revenue.

The issue is in the form of serials maturing in amounts of from $2,000 to $18,000 on an increasing scale from November 1, 1922, to November 1, 1930, leaving a balance of $211,000 to be met in 1931. The bonds are a direct obligation of the Westmount Industrial Corporation, of which the president is Christopher Severs, a well-known real estate man in Montreal.

Quebec Bond Dealers Elect Their Officers

From Our Own Correspondent

MONTREAL.—At a general meeting of the Association des Banquiers en Obligations, the following officers were elected:

L. G. Beaubien, president; Rene Dupont, first vice-president; J. F. Boulais, second vice-president; J. H. Boisvert, treasurer; Emile Gravel, secretary; A. S. McNichols, assistant secretary, and E. C. Vidricaire director.

Officers elected for the Montreal committee: J. F. Boulais, president; A. S. McNichols, vice-president; Emile Gravel, secretary, and J. W. Simard and E. C. Vidricaire, directors. Officers elected for the Quebec committee follow: Rene Dupont president; Leon T. des Rivieres, secretary, and Neuville Belleau and Arthur Amos, directors.

At a banquet held subsequently the president Mr. Beaubien, urged the members to develop their organization throughout the Province, pointing out that with the lower prices for Canadian bonds dealers from across the border might be tempted to come over and secure the best of the issues in Canada. They should organize so as to be able to handle this business themselves. Mr. Beaubien expressed pleasure at the growth of this new organization.

SASKATOON PUBLIC UTILITIES IMPROVE

Big Reduction in Loss on Street Railway Under "One Man" System

Saskatoon's Public Utilities have shown the following results in the past two years:

	Profit 1920	Profit 1921
Waterworks	$7,512.25	$18,222.96
Electric Light	63,003.16	77,708.07
Water Delivery	x3,669.36	1,526.69
Street Railway	x56,835.89	x9,321,57
Net profit on all utilities	10,010.16	$88,136.15

xLoss.

In arriving at above figures all operating expenses, interest, sinking fund and depreciation charges have been taken into consideration. The special feature is the big reduction in the loss on the street railway brought about by the adoption of one man operation to some extent, but partly accounted for as well by an increase in revenue.

The city has adopted the policy of building up a reserve to take care of possible uncollectable taxes. Taking into consideration reserves of the different school boards and the city proper, there is now something over $225,000 set aside for this purpose and it is intended to continue this policy in the future.

The city is also endeavoring to reduce operating expenditures on capital account beyond what is actually required to take care of actual needs.

BOND MARKET

The action of Vancouver and Victoria in selling Victory bonds in their sinking funds and converting the proceeds into long term railway bonds bearing the Dominion Government guarantee has been one factor in weakening the bond market.

The certainty of a Dominion Domestic loan in the fall is also a factor. However prices have sagged but little.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Ending June 13

BONDS—	Int. Rate.	Due Year.	Yield.	Range High	1921 Low.	Range High.	1922. Low.	Latest Ask.	Price. Bid.	Week High.	End. Low.
Can. Cement	6	1929	6.32	95	89	98¾	94	—	97½	98	—
Can. Locomotive	6	1951	6.57	90	82	94	87	94	92	92½	—
Can. Rubber	6	1946	6.31	90	84	96½	88	—	96	96½	96
Cedar Rapids	5	1953	5.32	97	86	97½	94	95½	—	95	—
Dom. Textile	6	1925	6.95	98	92	99½	97	—	97¾	98½	97
Lyall Cons.	6	1932	8.80	86	68	80	75	—	77½	80	—
Montreal, May '23	6	1923	5.80	108	100	103½	100	—	100¼	101¼	100¼
Do., Dec. '22					104	104¼	100	—	100¼	100⅜	—
Do., Sept. '23	6	1923	6.35	100	97¾	102	97½	—	99½	99⅝	99½
Price Bros.	5	1940	6.06	84	78	88	85	—	87	88	—
Quebec Rly.	5	1939	8.20	68	59	72½	63½	71½	70¾	71¾	70¾
Rio Janeiro	5	1935	7.35	84¼	78	85⅝	76	86	85	80	—
Steel of Can.	6	1940	6.07	99	88½	99⅜	97	—	98½	99	—
Sao Paulo	5	1929	7.75	82	70	85½	80	85	84¼	84½	84¼
Sher. Williams	6	1941	6.17	98	96	99	96	—	98	98	—
Wayagamack	6	1951	7.70	78¼	69½	80	71¾	81	80	80	—
War Loan (1925)	5	1925	5.55	96.00	92.00	98.60	96.10	——	98.25	98.25	97.90
Do., (1931	5	1931	5.22	96.60	90.05	98.90	96.25	98.50	98.35	98.50	98.10
Do., (1937)					94.50	101.50	99.50	100.20	100.00	101.00	99.75
Victory (1922)	5½	1922	5.70	99.55	96.62	100.10	99.10	99.95	99.90	99.95	99.50
Do., (1923)	5½	1923	5.60	99.50	95.50	100.10	98.75	99.90	99.80	99.99	99.50
Do., (1924)	5½	1924	5.76	98.50	94.25	100.75	98.00	99.50	99.30	99.45	99.15
Do., (1927)	5½	1927	5.32	101.00	95.25	102.70	99.75	——	100.80	101.00	100.50
Do., (1933)	5½	1933	5.24	101.80	95.12	103.90	101.25	102.25	102.15	102.60	101.90
Do., (1934)	5½	1934	5.48	99.43	92.25	101.45	98.80	100.20	100.00	100.50	99.30
Do., (1937)	5½	1937	5.04	104.00	96.50	106.55	103.30	105.00	——	105.30	104.65

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TWIN CITY

It is expected the Minnesota State Railway and Warehouse Commission will have the matter of fares charged by Minneapolis Street Railway Co., a subsidiary of Twin City Rapid Transit Co., before it some time in July. This will be the preliminary step to the eventual placing before the State Commission of the city's request for a reduction of fare from six cents to five. Twin City Rapid Transit Co., having complied with the request of the city's valuation expert and produced its books, Judge W. C. Leary, in the District Court, declined to include in his writ of mandamus, compelling the Twin City Company to open its books, any findings to the effect that the company owns and operates the Minneapolis Street Railway Co., although City Attorney Cronin asked the court, in its writ, to show the relation between the two companies.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
C. P. R.	June 30	2½	June 1
D. Textile com.	July 3	3	June 15
Do pref	July 15	1¾	June 30
Trinidad Elec.	July 10	1	July 1
Ham. Provident	July 2	5	June 15
Penn. W. & Pr.	July 1	1¾	June 16
Landed Bk & L.	July 3	4+½	June 15
Hollinger	June 17	1	June 2
Sher. Wil. com.	June 26	1½	June 15
Do pref	June 26	1¾	June 15
Bk. of N. S.	July 3	4	June 15
Can. Landed	July 3	2½	June 15
Tucketts com.	July 15	1	June 30
Do pref.	July 15	1¾	June 30
London Loan	June 30	1¾	June 15
Mackay com.	July 1	1½	June 7
Do pref.	July 1	1	June 7
D. Glass com.	July 1	1½	June 15
Do pref.	July 1	1¾	June 15
St. Maur. Paper.	June 16	1¼	June 6
Molsons Bank	July 3	3	June 15
Can. Permanent	July 3	3	June 15
C. Westinghouse	July 1	2	June 20
Gould Mfg com.	July 1	1½	June 30
N. Breweries com	July 1	1	June 15
Do pref.	July 1	1¾	June 15
National Trust	July 3	3	June 19
Tor. Gen. Trusts	July 2	3	June 16
Wabasso	July 3	1	June 15
Porto Rico Ry pfd	July 2	1¾	June 15
C. G. Electric com	July 1	1½	June 15
D. Power pfd	July 15	1¾	June 30
Tor. Mortgage	July 5	2½	June 15
C. Loco. com.	July 1	2	June 20
Do pref.	July 1	1¾	June 20
Twin City com.	July 1	2	June 15
Do pref.	July 1	1¾	June 15
Ottawa Trac.	July 3	1	June 15
Ottawa Car.	July 3	1	June 15
Shawinigan	July 10	1¾	June 23
D. Canners pfd.	July 3	1¾	June 17
Nipissing	July 20	3	June 30
D. Iron pfd	July 1	1¾	June 17
Shredded Wh com	July 1	2	June 20
Do pref.	July 1	1½	June 20
Burt, F. N. com.	July 3	2½	June 15
Do pref.	July 3	1¾	June 15
Rogers, W. pref.	July 3	1¾	June 15
Wright Har Mines	July 1	2½	June 17
Mtl. City & Dist.	July 3	2½	June 15
Abitibi Paper pfd	July 3	1¾	June 20

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CIVIC AND PROVINCIAL FINANCE

NEW TRANSFER TAX BEARS HEAVILY ON REGISTERED BONDS

On Deals of Under $20,000 No Relief Is Given by Changes

Bond dealers and stock brokers are much relieved at the limitation of the cheque tax to a maximum payment of $2 and at the reduction of the government stock transfer tax from 5 to 3 cents.

The new proposals, while a great improvement over the former tax suggestions of the Minister of Finance, are not entirely satisfactory to the financial community. While bond men and others are inclined to accept them as established facts they intend to closely record the result of the operations of the tax with a view to making strong case for relief, a case based on actual experience.

Smaller bond houses, dealing chiefly in retail orders for bonds, will find the tax burdensome. But the contention is made, and it seems a fair one, that if bond houses are not now making a large enough margin of profit to enable them to stand this tax they are operating on too close a margin and there should be a revision of their commissions. Probably this will come gradually; in fact the margin upon which the bond men operate may widen more than the amount of the tax.

Transfer Tax Effect

The transfer tax on bonds at first glance appears very heavy. But as a matter of fact 60 per cent. of the bonds traded in will not pay the tax because they will not be registered for transfer. Only when the bonds are sold to an ultimate investor will they require registration and the transfer tax will probably be passed on to the investor in every case.

The investor will in the end pay both of these taxes. Possibly borrowers will also be affected. In one bid made recently on a municipal issue the bond house stated that any cheque tax paid would be deducted from the bid made.

How It works Out

Below is given a table showing how the latest budget changes—those announced on Monday of this week—will increase the costs of doing business for the bond dealers, up to $20,000. This turns out to be the dividing line, as worked out by A. B. Mackenzie. Below $20,000 the costs are higher under the last revision; for $20,000 they are exactly the same. $12, as gainst $4.02 under the present system; and over that they are lighter, as the cheque tax remains constant instead of increasing.

The table runs thus:

Amt. of Transaction	As fixed June 12	As fixed May 23	Old Change
$ 1,000	$ .90	$ .60	$ .22
5,000	4.50	3.00	1.02
10,000	7.00	6.20	2.02
15,000	9.50	9.00	3.02
20,000	12.00	12.00	4.02
25,000	14.50	15.00	5.02
30,000	17.00	18.00	6.02
40,000	22.00	24.00	8.02
50,000	27.00	30.00	10.02
60,000	32.00	36.00	12.02
75,000	39.50	45.00	15.02
100,000	52.00	60.00	20.02

The figures include transfer tax as in Quebec province. Of course where no actual registration is made the transfer tax is not imposed.

The totals are made up as follows, say for $25,000 transaction:

	A	B	C
Cheque tax. . .	$2.00	$10.00	.02
Dom transfer tax	7.50	nil	nil
*Prov. tax . . .	5.00	5.00	5.00
Total..	$14.50	$15.00	$5.02

*This tax is applicable to municipal and industrial bonds, but not to Provincial and Government.

POINT CLAIRE ISSUE

The municipality of Pointe Claire seems to have a good financial reputation. Its bond issues invariably sell at a favorable figure and for a recent small offering of $12,500, 6 p. c. 25-year straight term bonds, Hanson Bros. were successful bidders at 105.355 plus accrued interest—a record figure for this much growing suburb of Montreal. The town will shortly offer $400,000 6 p. c. 25-year serial bonds in connection with projected extension of watermains, sewers, sidewalks, and permanent roads, all of which was recently sanctioned by the tax payers.

James A. Eccles, vice-president in charge of the Eastern section of the Canadian Bond Dealers' Association, is president of Harris, Forbes & Co., Ltd., of Canada, and a partner in Harris, Forbes & Co. Mr. Eccles was a member of the Dominion Executive in connection with the Victory Loan campaign of 1919.

School Fight in Ottawa Makes Hull City Grow

One of Canada's most quickly developing communities is Hull, in Quebec, and this city has naturally been quite a heavier borrower in the past two or three years. The population of Hull has doubled in fourteen years; assessor's figures place the population now at over 33,000, an increase of 5,000 in four years.

Much of this increase has been a direct result of the fight on the separate school question in Ottawa. Large numbers of Catholic families have crossed the river to Hull to reside. There has been some increase due from industrial developments.

TAX-EXEMPT VICTORIES RID OF TRANSFER TAX

Rest, However, Including Provincial Issues, Must Pay—Bond Men to Protest

From Our Own Correspondent.

MONTREAL.—Word has been received by bond men in this city that the proposed transfer tax on bonds of three cents for every $100 unit, will not apply to the tax-exempt Victory bonds, but will include the taxable ones of 1924 and 1934, that is the issues made in 1919, and in addition the tax will be payable on provincial bonds.

This decision comes rather as a surprise, inasmuch as it was hoped all Victories would be exempt, and provincial bonds as well, as the provinces have not yet taxed Federal bonds. Thus the taxable ones, and provincials will be liable for the transfer tax as well as municipals and industrials. There was not so much objection to the latter two classes being taxed as the margin on both was higher on the average than on the government bonds. It is in these transactions on government bonds that the transfer tax will be severely felt as the margin is small as a rule, and not readily passed on.

The bond dealers held a meeting on Wednesday afternoon and decided to urge the Minister of Finance against this transfer tax in the form in which it had been announced. The table appearing elsewhere in this issue, indicating that on all transactions under $20,000 the transfer tax added to the modified cheque tax, bears more heavily on the bond dealers than the previous cheque tax, was accepted as a basis for an appeal to Mr. Fielding for a modification at least in the tax. This was not in existence until this week so far as the Federal government was concerned, althought it applied, to the extent of two cents, on stock transactions.

QUEBEC MUNICIPAL OFFICERS TO MEET

Novel Idea of Holding "Regional Convention"—Some Prominent Speakers

MONTREAL.—The Union of Municipalities in the Province of Quebec is holding what is called a "Regional Convention" at Sherbrooke on Tuesday and Wednesday, June 21 and 22 next. The purpose of these conventions is to get in closer touch with the various districts in which the Province has been divided under the Union of Municipalities, in this way ensuring a better representation particularly from the smaller municipalities than would be secured if the Conventions were limited to a single one covering the whole province held in Quebec or Montreal alternately each year.

A feature of the programme for Sherbrooke will be an informal opening of the convention and a lecture by Hon. Jacob Nicol, K. C., who is head of the Municipal Department for the Province, on the subject of "The Undervaluation of Property." Oscar Morin, Deputy Minister of the Department of Municipal Affairs for the Province, will give an address on "Municipal Affairs," the same day and Col. Dennis, Chief Commissioner of the Department of Colonization of the Canadian Pacific Railway Co., will speak on "Progressive Development of the Province of Quebec."

The following day Ald. Newton, of Sherbrooke, will speak on "New Bases of Evoluation for Civic Assessment;" J. S. Crandall, C. E., of New York, will give an address on "Tar, Macadam costs, methods of construction and maintenance"; and J. A. Grant, C. A., of P. S. Ross & Sons, Montreal, and R. d'Orsonnens, will deal with a "Uniform system of accounting," as an attempt is being made to introduce one over the whole province.

Irrigation Bond Sale Makes West Confident

EDMONTON.—The recent sale of United Irrigation District debentures at a satisfactory price is looked upon in this province as practically certain to make good advertising for future irrigation issues. Now that the debentures carry the provincial Government guarantee they are much more actively in demand, and it is not anticipated that there will be any difficulty in disposing of further issues as they are ready for market.

A much better price for the $450,000 of these United bonds was secured than for the first irrigation issue, the Lethbridge Northern, but the Lethbridge debentures which sold at 94.71 some months ago, are now bringing 107 and 108 in the trading market.

United District bonds to the extent of $75,000 are being reserved out of a total issue of $525,000 for the purchase by residents of the district in exchange for labor and contract supplies on the construction of the irrigation works.

MUNICIPAL BOND SALES DURING WEEK

Cornwall, Kelowna, Walkerville Numbered Among The Borrowers

Bonds of the town of Cornwall, Ont., totalling $75,000 and payable in 30 annual instalments were awarded to the Sterling Bank on a 5.45 per cent. cost basis. Alternative bids on 5½ and 6 per cent. bonds were called and 100.47 for 5½ per cent. bonds was the bid accepted.

Tenders:

	5½% basis	6% basis
Sterling Bank	100.47	
W. L. McKinnon & Co.		104.03
A. Jarvis & Co.		103.41
R. C. Matthews & Co	99.17	
Harris, Forbes & Co...	98.89	
Wood, Gundy & Co...	98.29	102.333
A. E. Ames & Co.	98.19	
McLeod, Young, Weir & Co.	98.17	
United Financial Corp.	97.26	

Township of Harwich, Ont., has sold $23,642 of 6% 10 installment bonds to Harris, Forbes & Co., at 101.27, the money costing the township 5.74%. Bids were:

Harris, Forbes & Co.	101.27
R. C. Matthews & Co.	100.41
Wood, Gundy & Co.	99.56
McLeod, Young, Weir & Co..	98.38

C. H. Burgess & Co. have bought $17,252 of 6% 10 instalment bonds of the town of Amherstburg, Ont., at 99.37, a 6.12 per cent. basis.

Walkerville, Ont., has sold $124,429 of 5½ and 6% 15 and 20 instalment bonds to Wood, Gundy & Co. at 100.08. The money costs the town 5.74%. The tenders were:

Wood, Gundy & Co.	100.08
R C. Matthews & Co.	99.55
A. Jarvis & Co	99.10
C. H. Burgess & Co.	98.73

Township of Cumberland, Ont., bonds totalling $18,890 went to C. H. Burgess & Co. at 101.81. They are 15 instalment 6% debentures.

Kelowna, B. C., sold $6,000 of 10 year 6's and $91,000 of 20 year 6's at 98. to Gillespie, Hart and Todd and McLeod, Young, Weir & Co.

TENDERS AND BY-LAWS

TENDERS WANTED

June 20, Ford City.—$63,000 6 per cent. 20-year debentures. J. F. Foster, Treasurer, Ford City.

July 3, Saskatoon.—$491,500, 5, 5½, and 6 per cent., 5, 15 and 30 year various debentures. City Commissioner, Saskatoon. (See announcement on page 16.)

June 26, Rosetown, S.D.—$24,000 7 per cent 20 year debentures, W. M. Aseltine, Secretary, Rosetown, Sask. (See announcement on page 16.)

BY-LAWS PASSED OR DEFEATED

St. Thomas.—$50,000 to assist in erection of Elgin Memorial Hospital, defeated by the ratepayers on June 6.

DEBENTURE NOTES

Whitby—The Town Council has authorized the issuing of debentures amounting to $99,404 to cover expenditures connected with the paving of Dundas and Brock streets.

Welland.—The city has decided to issue 10-year 6 per cent. debentures to the amount of $45,972, to cover various expenditures of the municipality. In order to keep the tax rate down to 11¼ mills, the same as last year, the County Council has decided to issue debentures to the amount of $150,000 to meet expenditures.

Quebec.—The City of Quebec called for a duplicate set of tenders this week covering an issue of $422,000. One tender is for 10-year bonds dated July 1, 1922, and due July 1, 1932, bearing interest at 5½ per cent. and payable half-yearly on July 1 and January 1, with principal and interest payable at the Bank of Montreal, Quebec, Montreal or Toronto. The alternative is for 20-year bonds bearing the same date, and due July 1, 1942, but with interest at 5 per cent. instead of 5½ per cent. Bonds will be issued in denominations of $100, $500 and $1,000 each. Tenders may be made for both the 10 and the 20 year bonds or for either, but it is stated that the city will accept only one if any.

June 22, Halifax.—$390,700, 5%, 30-year debentures. James L. Hopewell, City Treasurer. (See announcement on page 16.)

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold To	Rate	Term	Amount	Price	Basis
June 14	Cornwall, Ont.	Sterling Bank	5½%	30 in.	$75,000	100.47	5.45
June 13	Tp. Harwich, Ont.	Harris, Forbes & Co.	6 %	10 in.	23,642	101.27	5.74
June 14	Amherstburg, Ont.	C. H. Burgess & Co.	6 %	10 in.	17,252	99.37	6.12
June 10	Walkerville, Ont.	Wood, Gundy & Co.	5½ & 6%	15 & 20	124,429	100.08	5.74
June 10	Tp. Cumberland, Ont.	C. H. Burgess & Co.	6 %	15 in.	18,890	101.81	
June 10	Kelowna, B. C.	Gillespie, Hart & Todd and McLeod, Young, Weir & Co.	6 %	20 r.	91,000	98	
		CORPORATION					
June 14	Stetson Cutler Co.	Royal Securities Corp.	7 %	20 yr.	2,500,000		

JOINS CHILD AND CO.

The firm of Child and Company, Stock Brokers, Members of the Montreal Stock Exchange, Transportation Building, announce that J. A. Ballard has joined their organization. Mr. Ballard is widely known on the Street, having been connected with prominent brokerage houses for the past ten years.

Save for the future
is excellent advice, but to save and invest carefully is better. To place your surplus funds where they will return a high interest rate and be absolutely safe should be the aim of every thrifty individual.
We can suggest a number of Government, Municipal and Corporation bonds, which at present prices yield from
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TOTAL BENEFITS
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POLICIES ISSUED FROM $500 TO $5000
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Two Thousand Life Underwriters to Meet in Toronto
This great gathering of life men from all points in Canada and the United States, to convene in August, will be representative of the grand army of Life Insurance agents who have placed nearly fifty billions of life insurance protection over Canadian and American homes. Life Insurance is the most useful commodity in the world because it represents food, clothing, shelter and education for those who without it might be hungry, naked, homeless or ignorant. The Mutual of Canada aims to distribute this great commodity at net cost to the consumer, being among Canadian companies the only one organized on a purely mutual co-operative basis. Mutual benefits actually paid, in the aggregate amount to $37,000,000. so that the Mutual has had a substantial share in the beneficent work of the Canadian life companies.
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Name this Corporation as the Executor of your Will, and you have a guarantee that its provisions will be carried out, that your estate will receive the careful attention to which it is entitled.

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INSURANCE AND REAL ESTATE

THE DEPRESSION MEANS HEAVIER LOSSES BY FIRE

Some Startling Figures by Department of Insurance

Last year the fire loss in Canada amounted to $45,000,000, an amount exceeding any previous year in the history of the country. The returns so far this year indicate that things are not improving. In fact the significant and unpleasant point is made by the Department of Insurance at Ottawa that "in all probability fires will continue to increase until there is a marked recovery from the general business depression."

Nor does the fire loss indicate the whole financial burden involved in fires and fire prevention. The fire waste in 1921 has been summarized as follows:

Value of property destroyed	$45,015,930
Insurance Premiums in excess of losses paid......	24,544,200
Waterworks (cost chargeable to fire service)......	8,756,340
Fire departments in protected communities	12,137,500
Private fire protection, estimated	7,958,000
Fire prevention (Govt. Expenditure)	13,500
Total	$98,435,470

This total of nearly $1,000,000 is almost as large as the debt charges on the national debt for the previous year, 1920, and is equivalent to a tax of $50 on the average Canadian family.

Economies Possible

It would seem that economies can be made in this field. "Fire Control," a bulletin of the Department of Insurance, emphasizes the value of the co-operation of the public but admits that as yet the public appears to be indifferent to waste by fire. "Almost ninety per cent. of the fire waste is readily preventable. Indifference, ignorance or crime is responsible for practically every serious fire." At present the last source of trouble is particularly apparent because the "moral hazard" increases when prices drop to any great extent as they have done in the last period.

"This conclusion is borne out by the universally large number of fires in lines of industry which have proved unprofitable."

Insurance men draw attention to the fact that there are two ways of looking at the question. In the first place methods of fire prevention in a particular building result in reduced insurance rates. It is said that savings varying from 1 to 100%, depending on the particular circumstances of the case, may be made by the use of fire prevention apparatus such as fire doors, windows, etc. In the second place when there is an increase in the total fire loss, or in the total fire loss in a particular branch of the business, as say in automobile insurance, the rates in general or in the particular branch of the business, will increase.

Apparently great economies can be made in respect to the fire loss. The bulletin "Fire Control" has many suggestions to offer as to methods by which fire may be prevented.

It declares that "there is ample justification for compulsory sprinkler ordinances in municipalities on the grounds that the manufacturer evades his responsibility by expecting his municipality to maintain fire-fighting apparatus sufficient to cope with a fire in his building of great height or broad spaces and also he passes on a cost to others if his occupation is hazardous.

For example a paint factory in a downtown block in a Canadian city was burnt down. This factory then was moved across the street. As a result insurance in all risks in the same block were increased. It would be impossible to assess the paint factory for the increased premium to take care of the insurance for the rest of the block, but "Fire Control" suggests that the "internal hazard" of the paint factory might be reduced by means of the installations of automatic sprinklers.

Also the suggestion is offered that the sprinkler system might be of value in public institutions, prisons, hospitals, orphanages and so on. "If ample exits are provided the administrations feel that it has done its full duty and that the inmates are assured of safety to life and limb." But broadly speaking, most of such public institution are "made to burn," and "Fire Control" recommends the introduction of automatic sprinklers in such places. Comparative figures are given: "During 8 years there were 377 fires in unsprinklered buildings of this class with an average loss per fire of $18,600, while during the same period there were only 3 fires in sprinklered buildings with a total loss of $400."

The use of automatic sprinklers is only one of many methods by which fire can be prevented. "Fire Control" suggests many other ways of effecting national and private economies in respect to fire losses.

> Twenty years ago, I had a capital of about a half million dollars. I then realized that a business man with a half million of capital and a million and a half of insurance on his life would have better credit than one with a half million capital and no insurance—so I took the insurance. I now find that trading on the credit it created I made more profit than if the money which went into insurance had gone directly into my business.
>
> JOHN WANAMAKER.

"Fire Control" claims that plans of buildings are frequently based on false ideas of economy which are a great handicap to advocates of fire prevention. Examples are given of investors who wished to build a high building on a certain sized lot, the floor space to bring in a predetermined revenue—and the result is the flimsiest of structures permitted by the local building regulations.

Then there is the case of the man who wants a bigger and better building than he has money for and who proceeds with the construction of his building hoping to receive more money as the construction proceeds. If he is not successful in interesting further capital he begins to skimp and "in the majority of instances those features designed to give resistance to fire are the first to be eliminated."

The bulletin argues that the value of the use of incombustible materials lies in their disposition in such a manner as to procure a maximum resistance of fire at (a) the point of origin of the fire, and (b) the point of greatest danger of its spread.

GREAT GAINS MADE IN INSURANCE EDUCATION

"Practical" Courses of Little Use, Actual Practice Best Says Authority

In the May issue of "Service," the monthly publication of the American National Bureau of Casualty & Surety Underwriters, appears a short article on "Insurance Education," by R. H. Blanchard, professor of insurance at Columbia University. It is as follows:

"Education along insurance lines has made considerable advances during recent years. The local branches of the Insurance Institute of America have become more active in the casualty field, individual companies and company organizations have established libraries and courses of instruction, and the universities have broadened their offerings both to undergraduates and to men and women engaged in the business. All of these developments represent opportunities but they are of little use without active work on the part of students.

"There are far too many individuals who attribute to the process of education certain extraordinary and almost magical powers. It would seem that some regard personal exposure to courses of instruction as in itself creditable and productive of greater mental ability or increased earning power. Others go to the opposite extreme and contrast such courses, to their disadvantage, with concrete 'practical' experiences. This situation is found in the insurance world as well as elsewhere. It is the purpose of this brief note to point out the real uses of formal education to the individual who is willing to educate himself; for education, particularly in a specialized business, must largely be self-education.

"A necessary fundamental to the comprehension of the principles and practices of the business of insurance is a knowledge of the facts of insurance. These facts can best be mastered by study on the part of the individual student, but sources of information can be pointed out to him and the approaches to the facts can be systematized by others who have given some thought to the subject. Assuming such a knowledge of the facts on the part of the student, he should be guided to a comprehension of the meaning of the facts and of their relation to each other, to the insurance business, as a whole, and to economic life. Again, this guidance can best be furnished by educators, either those practical men who have studied their business as well as practised it or those who made education their profession.

"Thus the purpose of education becomes largely one of economy, of stimulus and of guidance. It is of particular value during the early years of one's connection with the business when methods of approach to problems and principles of action are becoming a part of one's whole personal makeup. If it is properly directed the student should be able to go on, after his early efforts to research on his own initiative with a minimum of waste motion, and he should be able the better to attack and solve new problems in the light of what has gone before in the business.

"Education is no panacea nor touchstone. It is a useful tool, but one the usefulness of which depends largely on the industry and intelligence of the person who uses it. Let him remember that the most practical type of education is a thorough grounding in fundamental principles. So-called 'practical' courses which consist in the retailing of assorted lots of detailed information are of use for training those who are to occupy the position of clerks for the remainder of their lives, but are only harmful to the individual who is to rise because he can think more accurately and more rapidly than his neighbor."

At the Edmonton Life Underwriters' Annual Meeting, W. H. Speer, inspector of agencies for The Great West Life, was chosen for the presidency. M. E. Harms will occupy the vice-president's chair, J. Q. Foy resuming his duties as treasurer. E. B. H. Shaver was elected secretary. The executive will consist of J. T. McCay, Jos. Kilgour, F. A. Hilliard, and R. E. Frizzell.

LIFE INSURANCE IN LIEU OF BEQUESTS

Life Insurance Policies Can Be Drawn Up Just As Definitely as a Will

Many people wish to make a bequeath at death to some institution such as a college fraternity, a hospital, or a charitable organization. The usual way to accomplish this end is through a will. This method has, however, certain disadvantages.

Wills are sometimes contested for various reasons. Again, the individual may put off the making of his will and death may first occur, in which event his estate would not be settled as he had planned. Changing circumstances and financial reverses may so impair the individual's estate that in the final settlement thereof his bequests cannot be paid in full. Then, too, the individual may be forced to eliminate bequests of such nature entirely.

By making an institution the beneficiary of a life insurance policy certain of these difficulties can be avoided. The settlement of a life insurance policy cannot be contested in the same manner as a will. Furthermore, by the use of life insurance the individual will not deplete the amount of his estate, as life insurance taken out for a specific purpose and payable to a specific individual is not a portion of the estate.

The life insurance method provides for a methodical setting aside of premiums for the desired end, the amount of the benefaction having been determined at the outset. The adoption of the life insurance plan in lieu of bequests is a business-like procedure. While the individual does not definitely know that his estate can or will be settled as originally planned, he does know that the proceeds of his policy will be paid as agreed unless he deliberately allows his insurance to lapse.

The life insurance plan permits the insured, if so he desires, to provide that at his death the insurance will be used for a specific purpose such as a scholarship in a college, a bed in a hospital, or for some public work. A life insurance policy can be so drawn as to provide for carrying out his intention just as definitely as can any will.

From the point of view of tax, there are also certain advantages which may accrue through the use of a life insurance policy for this purpose.

An alumnus of a college has many calls from his Alma Mater and he may subscribe yearly amounts of money toward alumni funds, but in such subscriptions his identity is lost with that of others: The life insurance plan offers an effective method of removing this objection.

"MUTUALS" IN ENGLAND

Have Come Successfully Through Readjustment

At the 114th annual meeting of the Norwich Union Life Insurance Society, held in London recently, the experience of the mutual insurers during and since the war, was fully discussed. The following is the report in part:

The "mutuals," speaking broadly, have come through the ordeal of war and post-war conditions in a very wonderful way, and if, before that ordeal, there was any great number of proposers for with-profit life or endowment insurance who really preferred to sacrifice a substantial share of their profits in order to have the benefit of a share capital, that number must now have been very sensibly reduced through the demonstration of strength of the mutual principle which the strain of these years has brought into such prominence. In that connection I may say I was very much struck a little time ago by statistics which our general manager showed me. It occurred to him to compare the last pre-war bonus results of the three groups of offices—mutual, proprietary life and "composite." The average proprietary office allocates to shareholders about one-tenth of the total profits of its life business, and so one might at first blush have expected an analysis on these lines to show a bonus advantage of about 10 per cent. in favor of the mutual policyholder. The actual advantage was, however, far beyond that figure. Taking, for instance, the case of the typical life policyholder who insured at the age of 30 or 40, and whose policy had been in force for 10 or 20 years, the average mutual bonus worked out at about 23 per cent. in excess of the proprietary life and 30 per cent. in excess of the composite.

The National Surety Company is now perfecting the reorganization of Canadian territory and has established its chief office in the Transportation Building, Montreal, from which office it will supervise the development of business for the whole Dominion. Reed, Shaw & McNaught, former Dominion managers at Toronto, will have supervision over the Province of Ontario.

Vice-president Mee in charge of agencies for the National, states that in the past, owing to the extent of the Dominion, it has been hard to properly supervise the Canadian agents of the company in accordance with National methods used in the United States. Vice-president Drapier, temporarily in charge of the newly established office is now in New York conferring with the officers of the company for the purpose of picking a Dominion manager.

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BUILDING TOTAL SUBSTANTIALLY HIGHER IN MAY

Western Cities Make a Particularly Good Showing

MONTREAL IS BETTER

That City Shows Largest Increase for Month But is Far Behind Toronto on Showing for Year

Building permits issued in May throughout Canada make a very satisfactory showing. Not only have the figures for Eastern cities continued to show expansion on a substantial basis but there has been a marked change in the situation in Western cities as indicated by the reports sent to The FINANCIAL POST. Evidently as the season advances activity is on the increase.

The total for the month for twenty-six Eastern cities at slightly above $14,000,000 showed an increase for the month of $3,650,000 compared with a year ago, while for the five months of the year to date the total of over $39,000,000 was higher than the corresponding period of 1921 by more than $10,500,000.

In Western Canada the total for seventeen cities of close to $4,000,000 is higher by about $1,500,000 for the month while the total of above $8,750,000 for the five months shows an increase of only $1,100,000. It is, therefore, evident that the increase of May indicated a different trend from the previous months which had shown a deficit.

For all the cities the increase for the month is over $5,000,000 and approaches half the increase of $11,800,000 for the year to date.

Montreal to Fore

Montreal, which has been overshadowed during previous months by Toronto, is outstanding with an increase for the month of over $1,000,000 but the total for the month of $2,800,000 is much below the $4,200,000 shown by Toronto, while the increase of $1,650,000 for the year compares with an increase of $4,500,000 for the Ontario city. Then, too, while Westmount increased greater Montreal's total by $560,000 for the year, Toronto had York Township with $4,800,000, an increase of nearly $2,000,000.

Ottawa is the only other city which shows an increase of $1,000,000 or better for the year. Port Arthur and Hamilton have increases of over $500,000 while Halifax and Sarnia are both about that amount down. In the West Saskatoon has come to the fore with a big total for the month which gives it the largest increase for the year to date with Winnipeg second and Edmonton third, closely followed by Vancouver. Calgary is far behind last year.

Various Catholic structures are largely responsible for the big change shown in the Montreal figures. Hamilton will have a new Masonic cathedral. The Western Clock Company is building at Peterborough, York Township is building another school. Edmonton is building a new hospital. Saskatoon will have a new chemistry building in connection with the University. For the most part, however, the figures seem to be largely made up by home-building activities.

CUBAN-CANADIAN

Sugar Company's Production Exceeds Estimate

From Our Own Correspondent.

MONTREAL.—The current issue if "Investment Items" contains the following cheerful information as to Cuban Canadian Sugar:

The mill finished its crop on the 23rd of May with an out-turn of over 207,000 bags. This is 7,000 bags over the original estimate at the beginning of the crop and the largest number of bags ever manufactured by this mill.

Conditions for grinding were very good all through the crop season and the sucrose content of the cane showed a much better average than last year. With the increase in sucrose content and the cutting down of operating expenses, the cost of manufacturing sugar showed a very marked decrease over last year.

The company has contracted to sell about three-quarters of its crop under a tolling agreement, and the balance will be sold in the open market.

The demand for refined sugar seems to be increasing and this naturally strengthens the raw sugar market.

It is estimated that if the company can obtain an average of 2½ cents per lb. for its sugars, it will earn all bond and other interest, taxes and depreciation. This will enable the company to better its cash position by the amount of the depreciation.

THREE RIVERS PAPER AT 800 TONS DAILY

New Mill of International Paper Co. Up to 340 Tons Next Month

From Our Own Correspondent

MONTREAL.—The new newsprint mill of the International Paper Company of New York, operating under the name of the St. Maurice Lumber Co., at Three Rivers, Quebec, will be prepared in July to start its fourth paper machine, making its total newsprint capacity about 340 tons a day. In addition the mill is equipped with a wrapping machine of a capacity of 30 tons a day and has excess pulp production of about 200 tons daily.

The development of this new enterprise and the announcement made a couple of weeks ago that the St. Lawrence Paper Mills, as successors to the Three Rivers Pulp and Paper Co., has started work on the new mill at Three Rivers that would have a capacity of 150 tons of newsprint a day, brought attention once again to the rapid development of the district of Three Rivers as the largest producer of paper in Canada. In addition to the two companies mentioned there is the St. Maurice Paper Co., also producing newsprint, and the Wayagamack Pulp & Paper Co. with an output of sulphate pulp and wrapping paper.

Dealing with this point the Canadian Pulp and Paper Association estimates that the output of paper from that district early next year would be about 800 tons a day or 240,000 tons per year in addition to about 130,000 tons of surplus pulp. The circular continues:

The development owes its impetus to the large supply of pulpwood in the St. Maurice valley and to the availability of low cost electrical energy to a practically unlimited extent. The Shawinigan Water and Power Co., with its 326,200 h.p., supplies not only the mills mentioned but also those of the Belgian Industrial Co., at Shawinigan Falls, (now installing a new 85-ton paper machine) the Donnacona Paper Co., at Donnacona, and others.

Three Rivers, as a result of the developments described, has become an object of great interest in pulp and paper circles and is attracting personal visits from engineers and experts from both Europe and the United States.

BUILDING PERMITS ISSUED IN MAY

Eastern Cities

	May, 1922	May, 1921	Change	5 months 1922	5 months 1921	Change
Maritimes—						
Halifax	$ 547,050	$ 465,254	+$ 81,796	$ 775,798	$ 1,271,429	—$ 495,631
Moncton	178,285	41,525	+ 136,760	371,193	155,930	+ 215,263
St. John	75,300	22,000	+ 53,300	280,000	90,200	+ 189,800
Quebec—						
Montreal	2,831,690	1,732,664	+ 1,099,026	6,583,797	4,921,019	+ 1,662,778
Quebec	618,486	919,294	— 300,808	1,274,279	1,595,684	— 321,405
Westmount	336,405	104,500	+ 231,905	560,670	470,860	+ 89,810
Sherbrooke	122,000	70,000	+ 52,000	301,000	307,200	— 6,200
Ontario—						
Brantford	73,040	68,635	+ 4,405	159,760	193,485	— 23,725
Chatham	16,870	35,537	— 18,667	97,580	111,462	— 13,882
Fort William	117,575	36,475	+ 81,100	186,950	110,075	+ 76,875
Galt	61,415	186,880	— 125,465	128,528	231,305	— 102,777
Hamilton	680,800	402,950	+ 277,850	2,336,140	1,646,350	+ 689,790
Kingston	72,594	153,422	— 80,828	157,283	230,956	— 73,673
London	439,825	392,150	+ 47,675	1,049,145	895,530	+ 153,615
Ottawa	867,351	241,950	+ 625,401	2,013,966	1,002,735	+ 1,011,231
Peterborough	178,518	31,960	+ 146,558	299,130	121,562	+ 177,568
Port Arthur	30,296	15,467	+ 14,829	880,332	51,709	+ 828,623
Sarnia	111,377	587,331	— 475,954	374,196	899,047	— 524,851
Stratford	168,828	36,545	+ 132,283	508,491	97,694	+ 410,797
St. Catharines	140,821	84,591	+ 56,230	322,877	298,352	+ 24,525
St. Thomas	29,133	15,535	+ 13,598	90,307	39,385	+ 50,922
Toronto	4,193,991	3,241,896	+ 952,095	13,500,745	8,988,773	+ 4,511,972
Welland	74,100	34,365	+ 39,735	116,370	129,160	— 12,790
Windsor	417,205	600,384	— 183,179	2,034,185	1,845,620	+ 188,563
Woodstock	57,029	22,142	+ 34,887	105,743	61,505	+ 44,238
York Twp.	1,560,550	806,500	+ 754,050	4,820,900	2,884,550	+ 1,936,350
Total 26 E. cities	$14,000,534	$10,349,952	+$3,650,582	$39,229,365	$28,651,577	+$10,677,788
Western Cities						
Manitoba—						
St. Boniface	$ 80,565	$ 132,863	—$ 52,298	$ 178,814	$ 186,638	—$ 7,824
Winnipeg	1,108,650	1,004,800	+ 103,850	2,800,700	2,257,250	+ 543,450
Brandon	49,200	19,000	+ 30,200	72,635	49,035	+ 23,600
Alberta—						
Calgary	383,400	114,000	+ 269,400	858,900	1,381,800	— 522,900
Edmonton	491,575	158,655	+ 332,920	812,475	440,735	+ 371,740
Lethbridge	29,760	16,500	+ 13,260	82,200	50,980	+ 31,220
Medicine Hat	165	39,675	— 39,510	6,695	57,275	— 50,580
Saskatchewan—						
Moose Jaw	84,121	65,460	+ 18,661	146,038	206,465	— 60,427
Prince Albert	6,665	156,130	— 149,465	56,393	166,135	— 109,742
Regina	344,550	319,450	+ 25,100	613,020	793,165	— 180,145
Saskatoon	852,760	78,455	+ 774,305	968,190	141,945	+ 826,245
Weyburn	5,975	1,450	+ 4,525	10,985	20,460	— 9,475
Yorkton	33,200	56,100	— 22,900	43,350	77,900	— 34,550
British Columbia—						
Kamloops	39,945	5,000	+ 34,945	67,065	121,075	— 54,010
New Westmins'r	23,025	13,850	+ 9,175	103,275	76,350	+ 26,925
Vancouver	361,640	276,355	+ 85,285	1,628,901	1,319,834	+ 309,067
Victoria	65,560	38,528	+ 27,032	333,567	323,329	+ 10,238
Total 17 W. cities	$ 3,960,756	$ 2,496,271	+$1,464,485	$ 8,783,203	$ 7,670,371	+$ 1,112,832
Gr. total 43 cities	$17,961,290	$12,846,223	+$5,115,067	$48,112,568	$36,321,948	+$11,790,620

EQUALITY IN LAW FOR CAPITAL AND LABOR DESIRABLE

Governmental Regulation of Industry Proper and Desirable

OTHER CLASSES ALSO

Workers and Farmers Should Not Be Allowed to Form Combinations Not Permitted to Business

By Judge Elbert H. Gary, Chairman, United States Steel Corporation.

Legislative enactments or the modification or extension of existing laws for the regulation of industry are being frequently debated in and out of Congress and, personally, I welcome this insofar as it is sincere, unselfish and non-partisan.

Almost as a matter of course the majority of individuals or associations, if they themselves are exempt and unmolested, are quite willing and even anxious to have all others subjected to the most rigid governmental investigation and exposure to the public.

Investigation and publication are proper and desirable if not carried to excess. Constant, partisan and reckless indulgence in this pastime by representatives of government, or, what is much worse, by self-appointed, unqualified, or dishonest individuals or associations, posing as public benefactors, may be and often is misleading and antagonistic to the general welfare.

At other times I have said that occasional investigation of investigators might result in exposure of a good many rascals; and I emphasize the statement. It is a trite saying that often the man who cries, "stop thief," in the loudest tones has the stolen goods in his pocket.

If a man by his manner and methods gives evidence of personal hostility or selfish designs, it is well to scrutinize his conduct and motives before giving credit for his work or placing reliance upon his statements. He may be a "wolf in sheep's clothing."

We may concede that searching inquiry is sometimes necessary and generally productive of good and still be justified in characterizing many of the investigations and investigators as a public nuisance, especially if there is an attempt to go beyond the legitimate domain of the examination, and more particularly, if misrepresentations or unfair methods are indulged in.

Proper Regulation

From the mere view of successful operation, perhaps most of us might admit that private business can be better managed by the owners without any public interference or oversight, though there are two sides to this question; but if conceded, it seems to me to be fair and reasonable that big business, with all its advantages and power, should be subjected to governmental inquiry and supervision, provided it is through a non-partisan, non-personal, thoroughly qualified commission, and shall always be subject to review and determination on the merits by the highest judicial tribunal. The courts of our country are the bulwark of protection and safety. They are able, impartial and honest. They may be assailed, even as righteousness itself may be assaulted, but, if so, with exceedingly rare exceptions, it is because they are worthy and the man who attacks is unworthy. By his very actions or words he is self-condemned.

But the insistence that governmental regulation of industry is proper and desirable should always be accompanied by the condition that there shall be no discrimination; that all lines and departments of economic activity of similar importance shall be subjected to the same treatment.

The progress and prosperity of no nation can long endure if any single factor in economic life shall be especially favored or punished or exempted. Equality before the law is fundamental to industrial peace and prosperity.

The consideration of mere personal and private benefit or injury to any single factor in our industrial life, has no proper place in the genius of our nation.

The thoughts suggested arise from the disposition during the last few years to pass laws which measurably exempt labor organizations, and recently farmer associations, from governmental investigation, supervision and control against wrong. Not only are they exempted from certain restrictive provisions of the existing statutes, but they are affirmatively permitted to do certain things prohibited to others.

Labor and Farmers

To permit labor associations or farmer organizations to do, as the result of combination, things that are claimed to be beneficial to them which are denied to others is to create classes, to favor some of them and to injure the whole body politic. It tends to array class against class, and it adds to the cost of production. And be it remembered the general purchasing public, in the end must pay the bills. This, as a net result, is certain. This is not equal opportunity and equal obligation. I willingly admit as to labor, towards which no one has better intentions than I, that in the long past, as the result of class existence, it was not justly treated. Also, I know by experience and otherwise that the farmers, the most essential element of our national life, have not uniformly received adequate financial returns on their investment and labor. I was born and bred on my father's farm. I was a laborer in the true sense, both as to hard work and long hours.

But what I have said concerning the farmer, who, as a rule, is both capitalist or manager and workman, and about the laborers, who are often possessors of capital, in no respect militates against the claims I have made.

There Must Be Law

If it is necessary, in order to protect the workmen against imposition, to permit them to organize into associations and thus act collectively, let it be done under and by virtue of the general laws, subject in management to governmental investigation and supervision and control against wrong, oppression and violence. Let them account, under direction of the Government, for moneys received and disbursed. And the same argument applies to farmers.

Treat all persons, all organizations, of equal importance, as essential parts of a nation, each as good and as bad as the others. Even treat them as children, if necessary, subject to discipline; but in that case compel Uncle Sam to treat them with the solicitude and to afford them the protection that ought to be required of a father.

Governmental regulation of industry, in my opinion, will never be a satisfactory and permanent success unless and until it is fair and reasonable and, above everything else, is applied without discrimination. If any congressman contends for legislation that especially favors or punishes any class or division of industry, it should be with the avowed understanding that it is intended to be contrary to the general spirit of our Constitution.

THE UTILIZATION OF LIGNITE COAL

House of Commons Told of Progress Being Made With Western Experiments

In the House of Commons Mr. Gould asked:

1. What is the present estimated cost of briquet coal per ton at the Bienfait mines?
2. What heat units per pound does the lignite briquet, at Bienfait, show?
3. In the process of investigation, is the board tied down to the process of briquetting only?
4. Is the briquetting of the aforementioned coal the only feasible means of efficient mechanical treatment?
5. Has the board taken into consideration the burning of lignite coal in pulverized form?
6. If not why?
7. What was the initial estimated cost of completing the experiment?
8. What amounts have been expended by, (a) The Dominion Government; (b) The Manitoba Government, and (c) The Saskatchewan government, in relation to the whole work carried on at Bienfait?
9. What prospects are there of any valuable by-products as a result of the investigation that is taking place?

Hon. Mr. STEWART, Argenteuil, replied:

1. The Lignite Utilization Board at present estimates the cost of briquettes at $12.25 per ton f. o. b. plant at Binefait, Saskatchewan.
2. About 11,500 B. T. U. per pound.
3. The immediate objective of the Lignite Utilization Board is to demonstrate a process of producing a carbonized lignite briquette for domestic consumption.
4. The process of briquetting carbonized lignite is the only method known to-day likely to be successful in preparing a suitable fuel for domestic consumption from low grade lignites.
5. Yes; but such method is not suitable for domestic heating.
6. Answered by No. 5.
7. Four hundred thousand dollars was the cost estimated by a committee of the Research Council in 1917. (Preliminary investigations delayed the commencement construction of the plant at Bienfait until 1920.)
8. The Dominion Government has expended $455,000, which sum will be decreased by an amount of $35,000 due from the province of Manitoba; the Saskatchewan government has expended $205,000 and the Manitoba government $170,000.
9. The question of by-products is, in the main, one of markets, not one of technical possibility. There is no question that by-products can be produced.

In connection with the work at Bienfait, it must be borne in mind that as the objective of the whole undertaking is to produce a domestic fuel, the process is designed to permit the greatest possible number of B. T. U.'s to be left in the lignite residue. If the objective were the removal of the maximum amount of by-products a much poorer residue would be the result. The recovery plant installed at Bienfait is, therefore, only for the purpose of removing the lignite tars and pitches from the gas, in order that the pipes, flues and other passages may not become clogged up.

ONTARIO RECIPROCAL BILL

The stated case submitted by the attorney-general as to the validity of the Ontario act to legalize reciprocal insurance, was ordered off the list in the first divisional court on June 7. Chief Justice Sir William Meredith expressed no opinion as to the court's power to hear the stated case, one involving two Dominion acts, but suggested that the Ontario Reciprocal Act be proclaimed, that test prosecutions be instituted, and thus, that the questions before the appellate court be passed upon in the resultant litigation.

The reserved case that was submitted but not decided upon by Sir William Meredith was as follows;

1. Is it within the legislative competence of the legislative assembly of the province of Ontario to regulate or license the making of reciprocal insurance contracts by such legislation as that embodied in the Reciprocal Insurance Act 1922?

2. Would the making or carrying out of reciprocal insurance Contracts licensed pursuant to the Reciprocal Act 1922 be rendered illegal or otherwise affected by the provisions of section 508c and 508d of the criminal code as enacted by chapter 26 of the statutes of Canada 7-8 George V. in the absence of a license from the minister of finance, issued pursuant to section 4 of the Insurance Act of Canada, 7-8 Geo. V., chapter 29?"

Would the answers to questions one or two be affected, and, if so, how if one or more of the persons subscribing to such reciprocal insurance contracts is (a) a British subject, not resident in Canada, immigrating into Canada (b) an alien.

Save Unnecessary Expense in Telephoning

"He's not in his office just now!"

How often have you put in a call for — say Mr. Brown of the Robinson Machine Company — and when connection was made, learned that he was out?

Because you asked for Mr. Brown, it cost you — because of the extra service we rendered — about 20% more than if you had asked simply for the Robinson Machine Company.

The majority of Long Distance users find that if they put in a call for a firm — not for an individual — at the lower Station-to-Station rate, they can always get in touch at once with the particular person they prefer to talk with, or with a deputy who will answer the purpose.

Our gain will come when you appreciate the speed and economy of Station-to-Station service. After 8.30 P.M. the evening rate on Station-to-Station calls is only about one-half the day rate.

Every Bell Telephone is a Long Distance Station

If you only knew—

The type of man who protects his home—

that your good health would continue, even for one day—
that twenty years from now you would be alive and well off—
that your present income would remain secure and always available for you or your family—
You might then plan your affairs accordingly. But to know these things is impossible.

Will, as the years pass by

The Only Way

You can, however, anticipate the years, capitalize your present health and earning power, and thus make certain of twenty years' progress now, by securing in good time our

Home Protection Policy

for $5,000

Find increasing prosperity—

This plan is the basis of all life insurance.

Experience has proven that it offers maximum insurance at minimum cost.

The annual outlay is comparatively small, being only a moderate rate per cent. on the capital "estate" created, according to age. The average is about 3%.

Even these small payments may be reduced by dividends.

Cash values are guaranteed—a fund for emergencies.

Policy continues in force while any cash value remains, thus preventing lapse and loss of protection.

Many policyholders in the Canada Life have lived to draw large sums from this form of policy for their own personal use.

And in due time reap the rewards of success.

Remember:

A substantial policy on your life will do much towards carrying out your intentions—whether you live or die.

It may pay off the mortgage, supply food and clothing for your family—keep the children at school.

It may be all that is left of your life work—to keep you in comfort in your old age.

Ask For Particulars

Canada Life

Assurance Company

Home Office

TORONTO

Canada Life Assurance Company
Dear Sirs—Without obligation on my part, please send me particulars of your Home Protection Policy.
Name ....
Address ....
Born .... day of .... 18..
12

SOME MEASURE OF RELIEF IN BUDGET CHANGES

Protests of Various Interests Brings Direct Answer

PREVENTS DUMPING

Important Change Which Will Tend to Protect Canadian Labor and Capital From Cheap Foreign Goods

The modifications made by the Minister of Finance this week to his Budget of May 23 have aroused little tendency to criticize the Minister for bringing in a budget and then revising every special item in it later on except the sales tax. Rather are the recipients of Mr. Fielding's tender mercies inclined to eulogize him as one who displayed unusual intelligence in recognizing the sweet reasonableness of their united protests. However, the need for expert advice in the framing of the budget is more than ever apparent.

So far as the cheque tax is concerned its reception by financial houses is treated in some detail in another article. The attitude of the business men, however, is still critical.

It is still criticized because of the number of stamps involved and a double levy in many financial transactions where two cheques are employed for convenience in one deal.

Among those who are interested in imports the change in the method of assessing customs duties on goods of countries with a seriously depreciated currency is generally upheld. In the main the charging of duties on goods as they would be valued in England, rather than taking them in as one-third or one-fifth or so as a result of depreciated currency, is regarded as a necessary protection against what has threatened Canada as virtual "dumping" of foreign goods on this market and abnormally low prices. Mr. Fielding's method, moreover, of neglecting the question of the currency altogether, and figuring the treatment of such merchandise as a straight device for protecting Canadian industry, is regarded, generally, as more in accordance with economic principles than to fix an arbitrary valuation on the currency of other countries at pre-war, or one-half pe-war levels, regardless of its real status.

There is no doubt that there was a deep seated alarm felt over the prospect of general goods being dumped upon the Canadian markets, and a day or two after the first Budget announcement, an agent for a number of German steel lines made substantial cuts in prices to cover what he thought was going to be a sharp cut in customs' duties on these lines.

The cut in the excise charge on beer from 15 cents to 12½ cents a gallon brought a prophecy of the return of the old "schooner," at five cents. Incidentally there was an advance of one point in National Breweries stock.

There is some doubt as to how the "receipt" tax on amounts over $10 will work out. It is generally believed that cheques will be used more and accepted as receipts. The departmental stores foresee many difficulties in operation. In some directions it is felt that the Finance Minister decided that the "receipt" tax would prevent people dodging the cheque tax by paying in cash. He gets them both ways.

QUEBEC RAILWAY

Price To Be Settled by Public Service Commission

From Our Own Correspondent.

MONTREAL.—The Quebec Railway, Light, Heat & Power Co., is awaiting a decision by the Public Service Commission of the Province of Quebec upon the gas rates that it should charge in the city of Quebec. The company had a contract with the city by which it is authorized to sell gas at the rate of $1.75 per 1,000 cubic feet but this expired in November and was extended until February. The city then demanded of the company that there be a reduction to a uniform price of $1.45 per 1,000 cubic feet but the company offered a scale of rates running from $1.65 to $1.45 according to the quantity used. It seemed impossible to come to an agreement between the two and it was decided to submit the matter to the Public Service Commission. An effort will be made, however, to reach a settlement with the city.

ALABAMA EARNINGS

Position of Company Shows Considerable Improvement

From Our Own Correspondent

MONTREAL.—The statement of May earnings of Alabama Traction, Light and Power Co. consolidated properties shows an improvement in industrial conditions reflected by increased sales of electric power. In the district around Birmingham, Iron and steel furnaces and foundries and mills are operating now at about normal capacity and cotton mills are increasing their output as labor conditions are more favorable than in the North. Another factor beneficial to the Alabama Co. has been the opening of the Warrior River to navigation, to the sea as a result of which five steamers early this month took cargoes at Mobile for Peru, Brazil, China, Japan and India of products that originated in the district of Birmingham consisting of steel rails, iron pipes, pig iron, coal coke, machinery, manufactured cotton goods, canned goods and dried fruit. All these developments are favorable for the company. The gross earnings for the month of May showed a total of $441,000 or an increase of $76,000 over the month of May last year while net earnings showed an increase of 43,000. Taking the tweve months ending May 31, the gross earnings showed an increase of $279,000 and net earnings of $204,000. The following are the comparisons:

	1922	1921	Inc.
Gross	$441,707	$365,258	$76,449
Oper. ex. .	197,461	164,159	33,302
Net . ..	$244,246	$201,099	$43,147
For twelve months ending May 31:			
Gross	$4,736,893	$4,456,934	$279,959
Oper. ex. .	2,280,342	2,205,356	74,986
Net . ..	$2,456,551	$2,251,578	$204,973

Higher Wheat Prices Now Being Talked Of

WASHINGTON.—"Situation indicates," says Department of Commerce, "that world wheat stocks will be lower July 1 than for several years. Argentina and Australia have considerably less than last year, United States carry-over will be light, and only Canada has considerable stocks on hand. Upward trend of European consumption indicates a larger demand than last year, whereas as prospects are for smaller crop. International trade will be largely dependent till February on surplus of North America and a limited quantity from India. With Russia out of the export trade, North American wheat is in a relatively strong position.

New Carling Company In Beer Export Trade

From Our Own Correspondent.

LONDON.—At a meeting held here to-night negotiations were completed by which the Carling Brewing and Malting Export Company capitalized at a million dollars and with head office in Montreal takes over the business and plant of the Carling Brewery founded by the late Sir John Carling. The staff here will be increased to 100 as soon as new machinery and equipment can be installed. It is planned to manufacture both 2½ per cent. beer for the home trade and heavy beers for West Indian, South American and Quebec export. The former directors have disposed of their entire interests. T. H. Carling of this city was formerly president of the company.

CONSOLIDATED SMELTERS

Ore receipts at Trail Smelter for the last nine days of May totalled 13,495 tons, 12,530 tons of which were produced by the company's mines and 965 tons by other mines. For the first week of June the receipts amounted to 7,997 tons while for the year to date the total is 191,400 tons.

Selling up to 22.25 cents, July cotton last week reached its highest point since September 7, when it sold up to 22.30. The fear of a crop under 8,000,000 bales was the cause of the rise in September. Since then the market allowed the price to slip back to 12.80. Consequently, the last rise represents a climb of 9.45 points.

Protesting at the prohibitive cost of cheese and price of 13 cents a pound for bread, French deputies recommend prosecuting profiteers and controlling wheat, meat, etc. Spokesman for government intimates farm activities will be fostered and imports cut to minimum.

PUZZLING AS TO HOW RECEIPTS TAX WILL WORK

Presents a Problem Which Is Troubling the Retailers

BRITISH EXAMPLE

The Canadian Experiment Will Probably Be Followed Out Along the Lines of the Tax in England

Hon. W. S. Fielding, Minister of Finance in announcing certain modifications in taxation, as brought down in his budget of May 23, introduces a new tax, not heretofore in operation in Canada. It is proposed to tax all receipts for ten dollars and up two cents. All amounts under ten dollars are exempt. This is undoubtedly one of the most important changes in the original budget, as affecting the retail trade. The exact text of the government's intention in this regard, is not definitely known, but the new tax is evidently a similar one to that which has been in vogue in Great Britain for many years.

"The expression "receipt," according to the resolution of Hon. Mr. Fielding, "shall mean any note, memorandum or writing whereby any money amounting to $10 or upward, or any bill of exchange or promissory note for money amounting to $10 or upward, is acknowledged or expressed to have been received, deposited or repaid, or whereby any debt or demand of the amount of $10 or upward is acknowledged to have been settled, satisfied or discharged, or which signifies or imports any such acknowledgement and whether the same is or is not signed with the name of person." No reference is made to cash slips given over the counter.

Does Not Apply To Cash Slips

A. E. McLean, sales manager of the National Cash Register Co., Toronto, in discussing the tax on receipts with FINANCIAL POST expressed the opinion that it did not apply to cash sales over the counter. Thus the ordinary cash slips passed over the counter to the person paying cash would not have to carry a stamp. In Mr. McLean's opinion cash register slips will not be considered receipts according to this Act, although the resolution of the Finance Minister does not particularly say so. The British Act, it is pointed out, applies only to formal receipts bearing the words, "received from etc."

The British practice apparently is to exempt from receipt tax any cash transaction over the counter, unless a formal receipt is issued, and to place the tax only on a formal receipt issued for two pounds or over. Mr. McLean believes that Canadian practice will be based on that of the British.

Merchants' bills, if they come to $10 and over, when paid must bear a stamp, cancelled by the persons receiving the money. The manner of cancellation is for the person issuing the receipt to write his name in such a way that it crosses the stamp. Legally, the receipt will be worthless if it does not bear the stamp.

"It is evidently the intention of the Finance Minister to follow the British Act, but as he has not made public his regulations," added Mr. McLean, "we will have to wait for further announcements. However the ruling does not come into force until January first next."

E. M. Trowern, Dominion Secretary of the R.M.A., when spoken to about the receipt tax, was not prepared to make any statement in regard to the same, until such time as Mr. Fielding makes it clearer as to just what form of receipt and transaction it applies.

Summary of Amendments

Tariff item No. 143, affecting cigarettes, is changed. On cigarettes the weight of the paper covering to be included in the weight for duty, the duty is $4.70 per pound and 25 per cent., as compared with $5.25 and 25 per cent. in the announcement of May 23.

The Inland Revenue Act is amended on cigarettes. The $9 per thousand in the May 23 Budget is reduced to $7.50 per thousand. On cigarettes made from raw leaf tobacco, weighing more than three pounds per thousand, the excise is $12.50 per thousand.

The former tax of 49 cents per hundred lbs. on beet sugar is now reduced to 24 cents per 100 lbs. Sugar, sugar drainings, melado, sugar concrete and molasses testing over 56 degrees, and not exceeding 75 degrees per 100 lbs., 12 cents. The former excise was 25 cents. For each degree over that amount of polarization the next tax is one half cent per hundred. Formerly it was one cent per hundred.

Confectionery, which may be classed as candy or a substitute for candy, other than 1 cent, 5 cent, and 10 cent lines, is still taxed 5 per cent. The change as compared with the first announcement is in the exemption of the lines priced under 10 cents.

The tax on soft drinks is reduced from 10 cents per gallon to 5 cents. An ad valorem tax of 5 per cent. is applied to the soda fountain man. Ale, beer, porter and stout are reduced from 15 to 12½ cents per gallon.

Excise taxes on cigars are charged as follows:

(a) Valued at not more than $40 per thousand—per thousand, 50 cents.

(b) Valued at more than $40 per thousand, and not more than $110 per thousand—per thousand, $3.

(c) Valued at more than $110 per thousand and not more than $150 per thousand—per thousand, $7.

(d) Valued at more than $150 per thousand and not more than $200 per thousand—per thousand, $10.

(e) Valued at more than $200 per thousand—per thousand, $16.

Stamp tax on cheques is changed. It is now two cents on every cheque or express order for $50 and units of $50 up to $5,000. In no case can the stamp exceed $2.

A new tax is the tax on receipts. Up to $10 receipts are to be exempt. On every receipt from $10 up a tax of two cents is charged. No matter what the size of the receipt above $10 the tax remains the same.

The tax on telegrams and cables is cut from five cents to three cents.

DEPOSITORS SAFE THOUGH COMPANY ASKS ASSIGNMENT

(Continued from page 1)

$934,936.25 and about one-third of this is held by the Purdom family.

Many Negotiations

For some months it has been known to the officers of the Loan Association that the affairs of The Dominion Savings and Investment Society were involved. Some six weeks ago a government inspector was put in the office as ledger keeper, and depositors wanting to withdraw had their cheques passed on by this man. At first household accounts were paid in cash while on other amounts the legal 30 days notice was asked. About May 15, however, notice was asked on practically everything.

A large committee of Loan men was formed to give consideration to the situation, and from this a committee of 5 was selected to personally study the position of the Dominion Savings. The personnel of this small committee was: Messrs. Fisher of the Central Canada Loan, Toronto, Hessin of the Canada Permanent Trust, Toronto, Baker of the Huron & Erie, Toronto, Clarke of the Huron & Erie, London and Main of the Ontario Loan & Debenture, London.

This committee, it is stated, expressed the view that the assets of the Dominion Savings are quite sufficient to cover claims of depositors and debenture holders, but that there was little balance of security available for shareholders should the company be wound up.

Ontario Loan's Proposal

Before this committee made its report the Dominion Savings and the Ontario Loan had been negotiating to the end of having the Dominion Savings taken over by Ontario Loan. A. M. Smart, President of the Ontario Loan was willing to submit the proposed amalgamation to his directors, but only upon receipt of certain guarantees from other trust and loan companies, necessary, it was felt, to prevent the possibility of Ontario Loan & Debenture Company shareholders suffering, or depositors and debenture holders in this company suffering a depreciation of security. The guarantee asked totaled $115,000 and many of the loan and trust companies felt they should support such a guarantee. This, it was urged, would prevent a winding up proceeding and remove the possibility of upsetting the public's faith in the soundness of trust and loan companies.

The guarantee of $115,000 was not quite reached, but $106,000 was signed for and the proposal of the Ontario Loan made definite. Roughly the proposal was—that the Ontario Loan & Debenture Company assumed the liabilities of the Dominion Savings & Investment Society, looking after depositors and debenture holders; that any sum realized in excess of that required to meet liabilities should be divided on a sliding basis, for the first $100,000 50% to the Dominion Savings shareholders and 50% to the Ontario Loan shareholders, for anything above that, should be realized, a larger proportion to the Dominion Loan and a smaller to the Ontario Loan.

Proposal Rejected

It was this proposal that the Dominion Savings and Investment Society rejected finally, thereby requiring new negotiations to be opened.

The Huron & Erie Corporation came in at this stage and made an offer to the Dominion Savings; but the change, at this late date, produced a number of difficulties and the proposal still hangs in the balance.

With the Dominion Savings and Investment Society other companies are closely related through their common president, T. H. Purdom. The Fidelity Trust is practically owned by the Dominion Loan. The stock of the London Advertiser, upon security of which loans were made by the Dominion savings, is one of the assets of the Dominion Loan. The Northern Life is another company in which Mr. Purdom is interested but it is learned this company is not involved in any way—is said to be in a stronger position.

Real Estate Deal Blocked

The Northern Life has been connected with the negotiations through one transaction. What the Dominion Savings urge needed was liquid assets—cash. Those advising with Mr. Purdom urge his selling the Dominion Loan building if he could. The sale was arranged with the Northern Life—probably the largest tenant of the building as buyer, at what is said to be a very reasonable price. Here Mr. Findlayson, superintendent of Insurance for the Federal government stepped in and refused to permit the deal at this time. The Northern Life falls under his supervision, and Mr. Findlayson's view apparently, was that this purchase might not be in the interests of that company.

The proposed sale of the Dominion Savings building was on some such terms as these: The Northern Life was to assume the mortgage of some $67,000. It deposited with a trustee $150,000 worth of bonds valued on the market at $135,000. The balance of $20,000 between these sums and the insurance department's estimated value of the building was to be considered later.

Should liquidation be necessary it is hard to say what will be done. The rumor is that the Advertiser will be sold in order to turn the asset of the Dominion Loan in its stock into cash. Already several syndicates are said to be negotiating towards a purchase.

The last annual report of the Dominion Savings company (49th) made on December 31 gives the following figures, capital $1,000,000, paid up $934,968.50 reserve fund $275,000 contingent account $6569.82, toal assets $2,152.834.55.

Directors—T. H. Purdom K. C., president; Alexander Purdom, vice president, W. J. McMurtry, Llewllyn Purdom and Thomas A. Rowat, managing director Nathaniel Mills.

DROWNED IN GOLD

Commerce and Finance

A prominent British financier is quoted by Mark Sullivan in the new York Evening Post as saying Britain will pay her debt to the United States in gold. "We will throw it to you until you are up to your neck and drowning in it, and yell for help," he says.

It is no idle threat. Gold is not real wealth, but merely the symbol of wealth, a medium for the exchange of real wealth, and the accumulation of the world's gold in this country will not enrich us. It will be a positive detriment to us. We are likely to learn by costly experience what we might learn more cheaply by the use of our wits.

DIVIDENDS

DOMINION IRON AND STEEL CO., LIMITED

NOTICE OF PREFERRED STOCK DIVIDEND NO. 50

A quarterly dividend of one and three-quarters per cent. on the Preferred Stock of the Dominion Iron and Steel Company, Limited, has been declared payable 1st July, 1922 to shareholders of record on 17th. June, 1922.

By order of the Board of Directors.

C. S. CAMERON,
Secretary.

Montreal, June 12th, 1922.

Abitibi Power & Paper Co., Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. (1¾%) has been declared on the Preferred Stock of the Abitibi Power & Paper Co., Ltd., payable the 3rd day of July, 1922, to shareholders of record at the close of business the 20th day of June, 1922.

By order of the Board.

L. R. WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending June 30th, payable July 10th, to shareholders of record June 23rd, 1922.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, June 9th, 1922.

THE TORONTO MORTGAGE COMPANY

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after 3rd of July, 1922, to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.

WALTER GILLESPIE,
Manager.

DOM. TEXTILE COMPANY Limited

Notice of Dividend

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1922, payable July 15th, to shareholders of record June 30th, 1922.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 29th May, 1922.

DOM. TEXTILE COMPANY Limited

Notice of Dividend

A dividend of three per cent. (3%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1922, payable July 3rd, to shareholders of record 15th June, 1922.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 29th May, 1922.

TENDERS WANTED

CITY OF SASKATOON

DEBENTURE ISSUE

$491,500

Sealed tenders will be received up to 12 o'clock noon, Monday, July 3rd, 1922, for the purchase of the following sinking fund debentures of the City of Saskatoon, viz:

$101,800	30 years	6 %	Miscellaneous
$ 30,000	30 years	5½%	capital
$ 13,700	30 years	5 %	expenditure
$ 12,000	15 years	6 %	purposes
$125,000	30 years	5½%	Collegiate Inst.
$209,000	5 years	6 %	Capitalization of Tax Arrears.
$491,500			

These debentures are dated July 1st, 1922, interest payable half yearly.

Alternative offers on the basis of interest and principal being payable in Canada only, and in Canada and the United States, are asked for.

Tenders are to be addressed to "The City Commissioners" and marked on the outside of envelope "Tender for Debentures."

The highest or any tender not necessarily accepted. Full particulars will be furnished on application.

HOWARD McCONNELL, Mayor
ANDREW LESLIE, Commissioner

CITY OF HALIFAX

Tenders for Loan

So marked, will be received at this office up to 12 noon on the 22nd day of June next, from parties disposed to purchase Debentures or Stock of the City of Halifax, in whole or in part, sufficient to produce at the price offered the sum of $390,700, to be used by the city for the following purposes:

For construction of Sewers, Permanent Pavement, Sidewalks, Water Extensions, Curbs and Gutters, Widening Streets, New Street Lighting Service and Loan Expenses.

Term to run 30 years from July 1, 1922. Rate of interest 5 per cent. per annum. Coupon debentures for $1,000.00 each or stock certificates of multiples of $100.00 will be given, payable in lawful money of Canada.

Debentures can be registered as to principal.

Interest payable half-yearly in lawful money of Canada, on the 1st January and 1st July. Principal payable 1st July, 1952.

Engraver's plate ready, but debentures are not printed. Delivery within one month.

A General Sinking Fund is provided by law (Sec. 11, Chap. 51, Acts 1902) for the redemption of the Funded Debt of the city.

Place of payment for principal and interest; The Office of the City Treasurer, Halifax, N. S., or at Royal Bank at Montreal, Toronto, Winnipeg or Vancouver.

Parties loaning the money will be required to pay the accrued interest to the time of paying over the amount loaned. The loan to be paid in Halifax funds, and the securities to be delivered in Halifax at the office of the City Treasurer.

The Committee on Finance, subject to the approval of the City Council, will award the tender.

The City does not bind itself to accept the highest or any tender, and reserves the right to accept from any tenderer such portion of the whole as it deems necessary.

There has never been any default on the part of the City on payment of its obligations; nor has there ever been any litigation affecting the validity of its bonds

JAMES J. HOPEWELL
City Treasurer.

Halifax, N.S., June 6th, 1922.

Rosetown School District

TENDERS

for a $24,000.00 issue of 7% debentures, twenty equal annual payments of principal and interest, of Rosetown School District No. 2,534, Saskatchewan, will be received by undersigned up to June 26th, 1922. Full particulars as to school district obtainable at office "Financial Post."

W. M. ASELTINE,
Secretary,
Rosetown, Sask.

DIVIDENDS

The Wabasso Cotton Company, Limited

DIVIDEND No. 18

Notice is hereby given that a quarterly dividend of one dollar ($1.00) per share has been declared on the capital stock of the Company, for the quarter ending June 30th, 1922, payable July 3rd, 1922, to shareholders of record at the close of business on the 15th of June, 1922.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal, June 8th, 1922.

The Eastern Trust Company

DIVIDEND No. 85

Paid-up Capital	$ 1,000,000.00
Reserve	350,000.00
Trusts and Estates....	33,000,000.00

Notice is hereby given that a dividend of two and one-half per cent. for the current quarter ending the 30th day of June, 1922, being at the rate of TEN per cent. per annum upon the paid-up capital stock of this Company, has been declared, and that the same will be payable on the 3rd day of July, 1922.

The transfer books will be closed from the 20th to the 30th of June, 1922, both days inclusive.

B. A. WESTON,
General Manager.

Halifax, N.S., June 7, 1922.

THE MONTREAL CITY & DISTRICT SAVINGS BANK

Notice is hereby given that a Dividend of Two Dollars and fifty cents per share has been declared on the Capital Stock, called and paid up of this Bank, and will be payable at its Head Office, in this city, on and after Monday, July third next, to shareholders of record, Thursday, June fifteenth next, at three o'clock p.m.

By order of the Board,

A. P. LESPERANCE,
General Manager.

Montreal, May 29th, 1922.